



Jiang Zemin of China visiting with Cary Qualls, a Boeing assembly line worker, and his two children in Everett, Washington.

2 Leaders + 1 Factory = 1 Dilemma

SEATTLE — They were two traveling salesmen, and their pitches were familiar ones. Only now, all of Asia and much of the rest of the world was watching intently.

their summit meeting during the annual gathering of the Asia-Pacific Economic Cooperation forum.

on human rights and trade and Beijing's hopes for a way around it.

Looking to Asia for Growth, Clinton Vows to Open Markets

APEC Prods Europeans on Trade In Promise to Cut Nonfarm Tariffs

By Paul F. Horvitz International Herald Tribune SEATTLE — Standing at America's export gateway to the Orient, President Bill Clinton vowed Friday to press vigorously for open markets in Asia and Latin America as a spur to global economic growth and an expansion of jobs in the United States.

Mr. Clinton restated his intention to raise issues of human rights abuses and weapons proliferation with the Chinese. But his goal, he said, was to put Chinese-American relations "on a more constructive path."

On Page 5 U.S. will allow the sale of a supercomputer in a sign of goodwill toward Beijing.

refused to make any comment until after the talks.

Heads of state and government from nearly a dozen Asian nations gathered in Seattle for the APEC meeting.

The APEC nations are the United States, Canada, Japan, China, South Korea, Hong Kong, Singapore, Malaysia, Indonesia, Brunei, Thailand, Australia, New Zealand, the Philippines, Taiwan, Mexico and Papua New Guinea.

In their declaration on world trade, the See CLINTON, Page 5

A Nonstarter in Seattle: 'Asian-Pacific Community'

International Herald Tribune

SEATTLE — Trade and foreign ministers of the 17-nation Asia-Pacific Economic Cooperation group closed their annual meeting Friday after effectively rejecting a long-term vision of an Asian economic "community."

The APEC group took only incremental steps toward a more structured trading group, but they also expressed a strong desire to foster freer trade in a region whose dynamic export-driven economies are helping prop up a sagging global economy.

Although APEC found common ground on the need for a more liberal global trading regime under the Uruguay Round of world trade talks, they remained essentially divided over the future of their own 4-year-old regional organization.

These divisions reflected strongly held concerns among some of the smaller nations of East Asia that their larger partners, including the United States, could dominate any Asia-wide trading group created in the future.

In a speech Friday to a business group, President Bill Clinton said that Washington's

aim was to "invigorate" APEC through "combined partnership."

"This cannot be a U.S. show," he said.

But he said that APEC could consider becoming a forum for "dispute resolution on economic matters," for setting common telecommunications standards and for creating a common "open skies" agreement on air routes.

If bilateral trade talks fail, he said, member nations should be able to go to other APEC members to press their case.

But Asian officials seem more reluctant than Mr. Clinton to move in this direction.

Tsunomo Hata, Japan's foreign minister, told the APEC ministers: "It is through consultation, not negotiation, that APEC members should deepen mutual understanding, form common views and pursue common goals."

Reflecting their concern about the future course of the organization, the ministers decided to admit Chile to their ranks next year but to impose a three-year moratorium on new members.

Some ministers said this was necessary to allow the young organization to consolidate.

"I don't think the essential nature of APEC will change as a result of this meeting," said T.H. Chau, Hong Kong's trade and industry secretary.

To date, APEC has been a loose-knit consultative body that Washington, among others, had hoped to move more rapidly toward a structured free-trade group.

The APEC ministers accepted some of the recommendations put forward by a team of expert advisers. But the core recommendation, that APEC decide by 1996 on setting a target date for creation of a free trade "community" in the Pacific, was left for future debate.

According to Richard D. Fisher Jr., an analyst with the Heritage Foundation in Washington, ASEAN has been reluctant to allow APEC to become a forum for rapid trade liberalization "because protected manufacturing and agricultural constituencies oppose removal of tariffs and nontariff barriers."

The APEC nations are the United States, Canada, Japan, China, South Korea, Hong Kong, Australia, New Zealand, Taiwan, Mexico, Papua New Guinea, Singapore, Malaysia, Indonesia, Brunei, Thailand and the Philippines. The latter six are members of ASEAN. —PAUL F. HORVITZ

NAFTA Sets 'Downscale' Americans Against President

By Thomas B. Edsall Washington Post Service

WASHINGTON — The battle to win House approval of the North American Free Trade Agreement appears likely to strengthen a growing force in the U.S. electorate of disaffected, angry voters, many of whom face diminished economic prospects.

Those against the agreement made up an ideologically chaotic group: from the columnist Patrick J. Buchanan, on the right, to the Texas billionaire Ross Perot, in an undefined center, to Ralph Nader, on the consumer movement's left. Individuals and groups associated with the liberal wing of the Democratic Party, particu-

larly organized labor, were the dominant forces, and some of the leaders of this wing are declaring their commitment to continue to challenge, if not break with, the Clinton administration.

By taking a strong stand for the accord — which passed the House on Wednesday, 234 in

NEWS ANALYSIS

200, and awaits Senate approval — President Bill Clinton set a political collision course with those constituents he had sought to bring back to the Democratic fold last year: "the people who work hard, pay their taxes, play by the rules ... and now see their cherished dreams flying away."

The discontent and despair of "downscale America, blue-collar America, feeling left behind and unrepresented, blew up in NAFTA," Mr. Clinton's pollster, Stanley Greenberg, said.

He argued that administration plans to press for health care, unemployment compensation reform and job retraining legislation would help restore support for the president. But, he added, "one has to take seriously the alienated segments of the American polity. It will find other outlets."

The long-range significance of the trade debate may well prove to be that the often contradictory set of liberal organizations — manufacturing unions, environmentalists, some

civil rights groups — were able to coalesce.

The pact, which eventually would eliminate most trade barriers and tariffs among the United States, Canada and Mexico, was on occasion during the House debate described as a battle between the nation's winners and losers in global competition.

The "losers" are made up overwhelmingly of men and women without college degrees for whom the work ethic no longer is paying off. For the past 20 years, for men especially, their inflation-adjusted wages have been eroding, and the likelihood of permanent layoff has

See VOTE, Page 3

EC Negotiator Is Sure Of Accord on GATT

Reuters

GENEVA — The European Community's chief trade negotiator said Friday he was certain that a new world trade treaty could be completed by a mid-December deadline, despite the refusal of major trading nations to compromise on their negotiating positions.

"It's going to happen. It will happen this time, there's no doubt about it," the negotiator, Hugo Pauzan, said after a meeting of a committee of the General Agreement on Tariffs and Trade organization in Geneva.

Related article, Page 9

Kiosk

Packwood Weighs Leaving the Senate

WASHINGTON (Reuters) — Senator Bob Packwood of Oregon, accused of sexual misconduct, is considering whether to resign, his lawyer said Friday.

American Pilots Bar Strike

American Airlines pilots voted Friday not to join flight attendants on strike. The biggest U.S. airline strike in nearly five years, it was timed to coincide with the Thanksgiving holidays.

Table with financial data: Dow Jones (Up 8.67, 3,694.01), Trib Index (Down 0.78%, 109.49), The Dollar (New York, DM, Pound, Yen, FF exchange rates).

Table with international exchange rates: Andorra, Antilles, Comoros, Egypt, Saudi Arabia, France, Greece, Ivory Coast, Jordan, Lebanon, Luxembourg, Morocco, Qatar, Reunion, Senegal, Spain, Tunisia, U.A.E., U.S. Mil. (Eur.) \$1.10.

Bloodless Nigeria Coup Raises Prospect of Bloody Ethnic Strife

By John Darnott New York Times Service

LONDON — With the generals once again in open and absolute command, Nigeria is facing the prospect of economic chaos, political upheaval and perhaps even conflict between its two ethnic groups, the politically dominant Hausas in the north and the restive Yorubas in the southwest.

Some Nigerians, diplomats and foreign experts believe that the crisis is more dire than at any time since 1967, when the Biafra region in the east tried to split away, plunging the country into three years of civil war in which up to a million people died.

The current crisis has been caused by a military regime that planned for six years to return to civilian rule and then abruptly reneged on the promise after presidential elections in June.

Amid street protests, the military leader, General Ibrahim Babangida, handed power over to a transitional government nominally headed by a civilian.

Now, in what protesters called a coup, that government has been shown aside by another military strongman, General Sani Abacha. On Wednesday, General Abacha was installed as Nigeria's seventh military leader since independence from Britain in 1960. He promptly began dismantling the democratic institutions that had been carefully constructed, abolishing national and state assemblies, dissolving the two

political parties, removing elected state governors and proscribing all political meetings and associations.

Thursday night, in a 10-minute address, General Abacha warned that he was not a man to brook disorder. "Any attempt to test our will, will be decisively dealt with," he vowed.

But he gave little idea of what he had in mind for an anxious country. He talked vaguely about setting up a constitutional conference to chart Nigeria's future but, in what many read as an ominous sign, he did not set any date for handing power back to civilians.

General Abacha, 50, is very much a known figure. As defense minister and before that army chief of staff, he was a major player in

Nigeria's politicized military. He helped to engineer the coup that overthrew the last civilian government, in December 1983, and another one that brought General Babangida to power in 1985.

Ever since General Babangida stepped aside in August and installed an interim government under Ernest Shonekan, an industrialist from the south, General Abacha has been the true power behind the scenes. Some diplomats believe that the two generals had a falling out and they point out that one of General Abacha's first moves during the brief stewardship of Mr. Shonekan was to remove key military commanders put in place by General Babangida.

But others believe that reports of the rift are

greatly exaggerated, and they do not rule out an attempt by General Babangida to stage a political comeback at some point.

"It could be that Babangida is playing a long game in which he will emerge as a presidential candidate in an election organized by Abacha," one expert said.

Others pronounced General Babangida as discredited and finished.

Both military leaders are Muslims from the Hausa-speaking north, which has traditionally produced top officers and has dominated politics in the country of 90 million people. By contrast, Moshood K.O. Abiola, the man who

See NIGERIA, Page 8

A Showdown in Rome

Mafia Boss and a 'Finger' Share a Courtroom

By Alan Cowell New York Times Service

ROME — There they sat in court Friday, side by side, the mobster and the fink, with no more between them than a real life of hate that made the novel and film "The Godfather" seem gentle.

Salvatore (Totò) Riina is the jailed "capo di tutti i capi" ("boss of all bosses") of the Sicilian Cosa Nostra, the man accused, among many other things, of ordering the murders of 2 sons, a brother and 33 other relatives of Tommaso Buscetta, the man who sat next to him.

Mr. Buscetta, living under witness protection in the United States, is probably the most important of the Mafia bosses to have turned against the mob and informed on it — the first to finger Mr. Riina as the boss of all bosses, the first to enable investigators to start unravelling the inner world of the Cosa Nostra.

And both are involved in a trial of 13 people, including Mr. Riina, accused of ordering the murders of three Sicilian politicians between 1979 and 1982.

On Friday, Mr. Riina was supposed to respond to the charges Mr. Buscetta made against him as a witness in what should have been a historic exchange — their first encounter since Mr. Riina's bloodstained victory over Mr. Buscetta and his allies in Sicily's Mafia wars of the early 1980s.

It did not quite work that way.

Guarded by two uniformed carabinieri, the boss refused to talk.

"I don't want to talk with this immoral man," said Mr. Riina, who has called Mr. Buscetta a womanizer because he is divorced and once boasted many affairs.

"He does not have my stature," said Mr. Riina.

Mr. Buscetta, shielded by four plainclothes agents, seemed in stride.

"How can he speak of morality when he is responsible for the end of my dear ones, when he killed so many people? Where's his morality? He Riina, show it to me."

But his adversary, impassive in a gray suit, would neither turn to confront his accuser

See MAFIA, Page 8



Police escorting Salvatore Riina, the Mafia boss, from court on Friday as plainclothesmen shielded Tommaso Buscetta from view.

Handwritten Arabic text: 20 نوفمبر 1993

STATESIDE / HOW TO WIN IN WASHINGTON

For Clinton Team, a Fine-Tuned 56-Day Blitz

By Gwen Ifill
New York Times Service

WASHINGTON — In the last eight weeks, Representative Anna G. Eshoo, a first-term Democrat from California, has been to the White House three times, dined at the vice president's residence once and held dozens of conversations with members of the cabinet.

As the congresswoman was leaving for Mexico on a fact-finding mission, President Bill Clinton tracked her down by phone. She was on the receiving end of the White House strategy, which amounted to a coordinated, computer-generated, all-hands-on-deck plan to pry votes loose for the North American Free Trade Agreement. The strategy consumed nearly all the time of the president and his lieutenants for 56 critical days.

Ms. Eshoo worried about about the environmental side effects of the trade pact. Carol M. Browner, the administrator for the Environmental Protection Agency, or Interior Secretary Bruce Babbitt would be dispatched to soothe her fears. If she doubted its economic impact, she would find Treasury Secretary Lloyd Bentsen knocking on the door of her Longworth House Office Building suite.

And when the administration wanted to close the deal, Mr. Clinton invited her to the Oval Office for a final private round of reassurance.

Ms. Eshoo, who said she had treated the members of the cabinet like county department heads in her home district, said that she saw nothing unusual in the attention she had received, and that she had used her high-

powered visitors to provide answers to questions from constituents in her Silicon Valley district south of San Francisco.

"For me this was not a Washington decision," she said.

But at the White House, the last two months have been all about how to win in

'It was pretty at the end, but it wasn't very pretty along the way.'

Stanley Greenberg,
Clinton pollster

Washington. Starting out far behind and lacking traditional party support, the Clinton White House won the free trade battle by alienating friends, embracing enemies and working members of Congress with all of the attention and care typically found in a small-town sheriff's race.

At stake, White House officials said, was the stature of the president and his ability to win future battles.

For the administration, every phone call, visit and hometown newspaper editorial was an element of a grand plan. And as the full magnitude of the victory began to make itself clear during the 48 hours leading up to the vote Wednesday night, the administration officials who had worked on wooing over the lawmakers exulted in their success.

"It was pretty at the end, but it wasn't very

pretty along the way," Stanley Greenberg, the president's pollster, said after the House vote, which went in the president's favor, 234 to 200.

The measure now goes to the Senate, where its passage is considered certain. The hard fight was always seen to be the House.

The path to victory was strewn with elements of the lessons learned from the president's other legislative near-death experiences. The intensity came from the budget struggles; the focus came from the fallout over the homosexuals in the military policy, and the politics of the head count came from the determination not to lose another supporter out to dry as the White House had done when it forced Representative Marjorie Margolies-Mezvinsky, a Pennsylvania Democrat with a precarious hold on her job, to cast the decisive vote for the higher taxes in the budget bill.

The biggest problem was what the members of Mr. Clinton's own party would do with the trade accord, which was despised by many traditional Democrats, including union members. Many Democrats had also staked out their opposition last year when President George Bush first presented it. They knew they would have to rely on Republicans instead of Democrats for the bulk of any victory.

"Most members wanted cover," one White House official said. "They wanted to get labor off their backs. They wanted to make it politically possible to support it."

The president delivered a major speech on the trade agreement on Sept. 22, and the hunt for votes began in earnest.

"Our goal from the very beginning was just to hold people," said William Daley, the Chicago businessman recruited to run the White House effort on the accord. "Because if they were moving in September and October, they were pretty much moving against us."

The day after the president's speech, House supporters could count only 100 of the Democrats they needed in their column. Sixty-two said they were against it and 152 were undecided.

The president began an effort that came to include 18 public events, meetings with more than 150 wavering House members in October, selectively timed endorsements, telephoning marathons and the creation of an extensive lobbying system in which names of undecided House members were divided up among cabinet members and senior officials for persuasion and head counting.

And in the last week, the White House took to the airwaves. On NBC, Mr. Clinton chastised labor unions for playing hardball, and on CNN Vice President Al Gore bested Ross Perot in a debate.

"The dam broke after the debate," said Representative Robert T. Matsui, Democrat of California.

Part of the reason the atmosphere changed, officials said, was that they had succeeded in changing the terms of the discussion about trade.

Instead of arguing over job losses and gains, Mr. Gore and Mr. Clinton were able to defuse the opposition and define the battle as one about the international stature of the United States.



REPUBLICAN VOTE FALLOUT — Edward J. Rollins, Christine Todd Whitman's campaign manager in her successful race for the governorship of New Jersey, being led into federal court in Newark to testify about the possible spending of \$500,000 to discourage blacks from voting.

★ POLITICAL NOTES ★

Anti-Crime Bill Passes House

WASHINGTON — The Senate on Friday passed a \$2.3 billion bill designed to win back the streets from violent criminals. With the 95-to-4 vote the measure goes to a conference committee next year, where it must be reconciled with scaled-down anti-crime legislation passed by the House.

The measure would expand potential use of the death penalty, increase prison time for dozens of offenses, authorize thousands of new police officers, finance new prisons and compensate local governments for an expected surge in new cases. Nineteen specified assault weapons would be banned, although no guns already bought would be taken away.

The bill would authorize 100,000 new local police officers, additional federal agents and a beefed-up prosecution force. In addition, it would authorize \$100 million a year, from fiscal 1994 through 1998, to help state and local governments increase their crime-fighting resources. The bill does not appropriate any anti-crime funds, but expects to get the money from a planned reduction of the federal work force from the 1994 through 1998 fiscal years.

The death penalty would be expanded to cover some 50 federal offenses, including murder of a law enforcement officer, drive-by killings and carjackings that result in death.

triggered by a report that a former supporter had questioned his commitment.

"That's the press's fault, too, damn it," Mr. Clinton said. "I have fought more damn battles here for more things than any president has in 20 years, with the possible exception of Reagan's first budget, and not gotten one damn bit of credit from it, and you can put that in your damn article."

Mr. Clinton said he has received little credit or positive coverage for his accomplishments: tax breaks for the poor, a family leave bill, national service legislation, among others.

"You get no credit around here for fighting and bleeding," he said. "And that's why the know-nothings and the do-nothings and the negative people and the right-wingers always win."

"And they're going to keep winning until somebody tells them the truth, that this administration is killing itself every day to help people like them, and making some progress." (AP)

Clinton Socks It to the Press

WASHINGTON — The "knee-jerk liberal press" is too quick to judge and too harsh when it does so, President Bill Clinton complains in an interview with Rolling Stone magazine.

The Dec. 9 issue of the magazine quotes Mr. Clinton as saying the news media ignore or distort the administration's successes to the benefit of "the know-nothings and the do-nothings and the negative people and the right-wingers."

His outburst came at the end of a wide-ranging discussion touching on such topics as gun control, campaign finance reforms and humorous moments of his months in office. The angry comments were

New Vote on Abortion Protection

WASHINGTON — The House voted to make it a federal crime both to attack abortion clinics and to assault, threaten or obstruct the people who use them, all but ensuring that the proposal will become law.

Earlier, the Senate had voted, 69 to 30, for nearly identical legislation. The House approved the measure on a voice vote, apparently to spare opponents from the embarrassment of a defeat by a large margin. Only minutes before, the House had rejected an attempt to send the bill back to committee by a vote of 246 to 182.

Quote/Unquote

Lanc Kirkland, president of the AFL-CIO: "I cannot help but think that this NAFTA issue has damaged the prospects for the successful achievement of health care legislation, but we continue to believe in it. We'll continue to do everything that we can to advance it regardless." (WP)

Pentagon Nominee Defends Himself

The Associated Press

WASHINGTON — Morton H. Halperin, a former White House aide, on Friday confronted Republican assertions that he is unfit for a sensitive Pentagon post, denying that he ever assisted a renegade CIA agent in publicly identifying U.S. undercover agents.

"That is false," Mr. Halperin said at the outset of his confirmation hearing. "I never assisted Philip Agee in these efforts and I have condemned these efforts." Mr. Agee left the CIA and conducted a campaign to discredit it.

Mr. Halperin had his say not long after the ranking Republican on the Armed Services Committee, Senator Strom Thurmond of South Carolina, said he felt that the nominee was "unsuited for any position at the Pentagon."

Mr. Halperin is a former director of the Washington office of the

American Civil Liberties Union. Before that he served as an aide to Henry Kissinger on the National Security Council during the presidency of Richard Nixon. He broke with Mr. Kissinger over Vietnam.

Mr. Halperin has been nominated for the post of assistant secretary of defense for democracy and peacekeeping.

He said he wanted to set the record straight about a number of allegations "which are simply false." He said that he regretted the controversy, but that he was determined to demonstrate that opposition "is not warranted."

Mr. Halperin denied that he espoused views that would "subordi-

nate" the interests of the United States to those of the United Nations.

"I have been accused of believing that government officials have the right to disclose classified information," he continued in his opening statement. "That is false."

"I have been accused of opposing all counterintelligence operations. That is false," he added.

"I have been accused of aiding Daniel Ellsberg in the release of the Pentagon Papers on the war in Vietnam in the early 1970s," he said. "That is false."

"I did not assist him and I had no knowledge of this."

U.S. Seeks New Rules for UN Missions

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — The United States has told some allies it hopes to approve new guidelines before the end of the year setting out the conditions under which it would take part in UN peacekeeping operations, according to U.S. and allied officials.

The United States said the guidelines, which were still being discussed with congressional leaders, lay down a two-tiered approach to UN missions. They first define America's terms for voting in the Security Council for military operations that the United States would help finance but not take part in, and then setting out additional conditions that must be taken into consideration if U.S. troops participate.

U.S. officials said they hoped this policy statement would lead to an improvement in relations with the United Nations, which were strained recently by disputes over operations in Somalia, the former Yugoslavia and Haiti as well as the failure of Congress to approve U.S. dues in full.

Before supporting new UN operations, the

document said, the United States must be satisfied there is a genuine threat to international peace and security, a major humanitarian disaster requiring urgent action, a legitimate democratic government is in danger, or there is a gross violation of human rights.

It will also ask itself whether there is a shared international interest in supporting the operation. And in the case of a UN force monitoring a cease-fire, Washington must be sure all parties have given their consent and that the truce is likely to hold.

The United States will also seek reliable estimates of the number of troops required and their cost and demand that a clear plan for ending the operation should be drawn up at the same time it is begun.

If the United States is to contribute its own troops, then it plans to require additional conditions.

It must be sure the operation is in the vital national interests of the United States and that there is a real necessity for U.S. forces.

It must also be satisfied that the U.S. contribution is of sufficient size to ensure the military effectiveness of the force and that the

operation has sufficient domestic political support in Congress and the country.

The United States is also ready to place soldiers under the day-to-day operational control of foreign commanders in a UN mission case by case. But it said it will never surrender its ultimate command authority over the discipline and administration of U.S. forces.

The guidelines also said that regional organizations such as the Organization of African Unity or the Organization of American States must themselves play a bigger role in promoting and preserving peace.

The longest single section in the document deals with the need to make the UN's own capacity for undertaking operations more efficient and professional.

This section make clear that the United States is taking a more restrictive approach to UN military operations than the president implied before his election when he called for the establishment of a small, permanent "rapid deployment force" for UN missions.

Butros Ghali Raises Tone on Somalia

By Stanley Meisler
Los Angeles Times Service

UNITED NATIONS, New York — Talking on the Clinton administration again, Secretary-General Butros Ghali has told West Point cadets that the United Nations must use military power to deal with crises like Somalia or face "the spread of anarchy."

The secretary-general, who opposes President Bill Clinton's decision to withdraw U.S. troops from the Somali mission by March 31, told the future U.S. military officers: "Peace enforcement must be an option, for diplomacy without strength will not be regarded as serious."

Shortly after Mr. Butros Ghali spoke at the U.S. Military Academy north of New York City, the 15 members of the Security Council unanimously passed a resolution extending the UN mission in Somalia for 6 months, 45 days beyond the date of the scheduled U.S. withdrawal.

The council, however, put off for two to three months any decision on changing the character of the mission. In a report earlier this week, Mr. Butros Ghali told the council that, in view of the anticipated U.S. withdrawal, the council would soon have to decide whether to maintain, restrict or eliminate the authority of UN troops to use force in Somalia.

Smarting since the United States blamed him and the United Nations for the raid that resulted in the deaths of 18 U.S. soldiers on Oct. 3, Mr. Butros Ghali embarked on a campaign three weeks ago to set down in speeches his theory of the need for the use of UN military force in devastated areas like Somalia. He believes that this need cannot be met if the United States abandons UN military missions.

According to UN sources, these speeches, which have reportedly irritated Clinton administration officials, were written with the help of Charles Hill, a former U.S. diplomat. Mr. Hill is the researcher and writer who helped former Secretary of State George P. Shultz prepare his memoirs.

In his West Point speech, Mr. Butros Ghali said the current era, with all its ethnic conflicts, over time "may become more dangerous than the era just behind us," in a reference to the Cold War era.

Although he did not mention the United States by name, there was no doubt that he had the Clinton administration in mind when he criticized countries that shirk their obligations.

"Troop-contributing countries are entitled to know, to the extent possible, the length of their obligation," he said. "By the same to-

ken, they should be expected to carry out that obligation in full."

Bonn Sets Somali Troop Cut

A Foreign Ministry spokesman said Friday that Germany would reduce the number of its troops in Somalia as part of a UN review of peacekeeping there, Reuters reported from Bonn.

He said that the government would consult the United Nations before making a decision Tuesday on how many troops would stay in Somalia and for how long.

Foreign Minister Klaus Kinkel and Defense Minister Volker Rube have clashed over Bonn's commitment to the UN operation in Somalia.

Mr. Rube has said he wants Germany to start pulling out its 1,700 noncombat troops once the Americans begin to leave in January, because the Germans rely on the U.S. forces for supplies.

Mr. Kinkel has said that he wants the option of a longer stay kept open because he fears an early German pullout would mean a loss of prestige for Bonn and would undermine its campaign for a permanent seat on the UN Security Council.

Mr. Kinkel has said that Mr. Rube is not in a position to decide on the length of the German deployment.

AMERICAN TOPICS

Distracted Jet Crew Almost Belly-Lands

Crew members aboard a Continental Airlines jet were so distracted by cockpit signals warning them of nearby aircraft that they forgot to lower the wheels for landing, according to investigators of the National Transportation Safety Board.

The Boeing 727 with 83 people aboard scraped its belly on the runway at O'Hare International Airport in Chicago as the pilot pulled after receiving instructions from the control tower. It landed safely on a second attempt.

Because they were distracted, the pilot, co-pilot and flight engineer did not use the landing checklist that would have warned them that the wheels were not down, although using the checklist was mandatory.

The plane was about four feet, little more than a meter, above the runway when the landing was aborted. No one was injured, but the rear one-third of the plane's fuselage was badly scraped as the pilot pulled up, and holes were punctured in the fuselage.

The plane then circled the field, lowered its wheels and made a normal landing. The crew of the Houston-to-Chicago flight tested negative for drugs and alcohol.

"It was a potential disaster in the making," said Michael Ben-

son, a safety board spokesman. The plane could have burst into flames if it had made a belly landing, he said.

Short Takes

U.S. Roman Catholic bishops have unanimously approved a message to families that urges them to share fully in child rearing and household duties. They urged husbands and wives to treat each other as equals and, in an age when both parents often are working outside the home, to try to spend more time with their children. The bishops, meeting in Chicago, urged men to view "their traditional role as 'provider' for a family in more than an economic sense. Physical care of children, discipline, training in religious values and practices, helping with school work and other activities, all these and more can be provided by fathers as well as mothers."

A will studded with personal concerns was once commonplace. Increasingly, though, will focus solely on the distribution of assets — and this may be a mistake. "Carefully worded explanations" can make bequests clearer and more meaningful. Andree Brooks writes in the New York Times. They can smooth family relationships and discourage legal challenges. A woman who leaves 30 percent of her property to her wealthy son and 80 percent to her needy daughter might state, "The reason is because my son is in a better position financially than my daughter. It has nothing to do with my love for either of them." If the lawyer is reluctant

Away From Politics

The imminent execution of a convicted Missouri killer who says he has proof of his innocence was blocked by Governor Mel Carnahan, who is to appoint a board to investigate the case. Lloyd Schlup, 32, was convicted of being one of three white inmates who stabbed a black prisoner to death in what a prosecutor called an "Aryan hit."

A Los Angeles woman, Aurelia Macias, 35, has been charged with mayhem for castrating her husband, Jaime, with a pair of shears while he slept.

Blacks-only scholarships can be offered by the University of Maryland as a way of remedying generations of discrimination, a federal judge ruled, rejecting a complaint from a white student.

The Pentagon is investigating allegations by an IBM engineer, Veronica Ginter, that she was effectively forced to have sex with a top agency official, Gary Demman, so that IBM might win federal contracts.

With the destruction of the last known laboratory cultures of smallpox only weeks away, some scientists are urging that the virus be saved for more research. But others say all live traces of the killer disease should be wiped out forever. In a debate published in the journal Science, researchers from the United States, Russia and Britain said the surviving smallpox cultures may be of great value to science.

Nice's Ex-Mayor Sought by France

NICE — The public prosecutor here asked Interpol on Friday to seek the arrest of Nice's former mayor, Jacques Médecin, who now lives in Uruguay.

The prosecutor, Paul-Louis Aumeras, said that because France and Uruguay had no extradition treaty the request would take some time going through diplomatic channels.

Mr. Médecin fled charges of fraud, bribery and corruption in 1990 after almost 25 years as mayor. But in an interview on Radio Monte-Carlo, Mr. Médecin, 65, said he was too old to keep running and was confident that Uruguay would never send him home to face trial. He was sentenced to a year in prison in absentia in 1992.

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

In This Turn to Asia, a Creaking of History

By Stephen S. Rosenfeld

WASHINGTON — With the summit of 15 Pacific Rim countries in Seattle, President Bill Clinton audaciously positions the United States for a fateful post-Cold War turn from Europe to Asia, from preoccupation with security to pursuit of economic advantage.

Not that the United States is quitting Europe. From the president on down, American officials insist that turn is not on. The Atlantic alliance wobbles but holds, unhinged from the Soviet Union but now quietly reeling on Russia. Somewhat to Asia's regret, it appears, the American vision of the

America is certainly not quitting Europe; but it is helping Europe concentrate its attention.

Pacific includes no similar formal security aspect. The Asia trade numbers increasingly put the European numbers in the shade, but the old economic connections count heavily. The tie of kin remains strong—stronger than immigration can ever make the American kin tie with Asia. The president notes that he will be in Europe three times next year.

Still, history is creaking audibly. Economically, Europe is struck — it has not created new jobs for years, and it lags in the battle against protectionism. Politically, Europe is sour — note the flourishes of the ugly right from the Atlantic to the Urals, not to speak of the abandonment of Yugoslavia.

The Asian economies are roaring and becoming ever more important to the United States for investment capital as well as markets. Outlaw North Korea aside, the security pangs of Seattle's Asian attendees are not immediately pressing. No wonder attendees are not immediately pressing. No wonder attendees are not immediately pressing.

considerations energizes a potent lobby to condition trade. It was tough enough for the United States to jump these hurdles with Mexico. Now comes the far tougher case of China, whose complexities feed a running American argument over how to blend cooperation and challenge.

It is an argument the United States cannot afford to escape. The size of the stakes makes it so. At issue is nothing less than the widening and deepening of the liberal trading system that has brought unprecedented though inconsistent prosperity to large swaths of the world for the two generations since World War II. Widening means extending the ranks of free-traders. Deepening means somehow caring better for the industries, regions and workers chafed up by a creative but cruel global economy.

Towering foreign policy considerations are at issue. The world trading system and the ideas that sustain it proved to be a powerful magnet to pull a vast Soviet empire out of totalitarianism. The hope that it will pull out the remaining afflicted states—including China among the Seattle 15—underlies the West's principal strategy for global political, as well as economic, reform.

As the Marxist states buckle or come under possibly terminal strain, a larger Marxist-like pattern emerges. Relentless national and transnational economic forces drive a brutal competition for global markets. This is scarcely a novel development, but its intensification now, at a moment when the end of the Cold War is churning global politics, disorients many people in many places. At Seattle the 15 governments are chasing after this dizzying new world.

The Washington Post.

The Tenacity And Passion Are Needed

By Anthony Lewis

NEW YORK — The last week may have been the turning point for a flagging presidency. It can be if Bill Clinton acts on the lessons of his two triumphs in that week.

The NAFTA vote in the House was the second President Bill Clinton showed that he could work the political system to overcome the odds and win a tough one: win big. He trumpeted the strange collection of Yesterday's Men who thought they had him beat: Ross Perot, Lane Kirkland, Patrick Buchanan, Ralph Nader et al.

Mr. Clinton's first triumph was a speech last Saturday at the Church of God in Christ, in Memphis. What he did there was in his way as surprising as the winning effort on NAFTA.

From the pulpit where Martin Luther King Jr. spoke the night he was assassinated in 1968, Mr. Clinton gave passionate voice to Americans' concerns about crime. He imagined what Mr. King would say if he could see his community today:

"I did not live and die to see the American family destroyed... I fought to stop white people being so filled with hate that they would wreak violence on black people. I did not fight for the right of black people to murder other black people."

In Memphis, Mr. Clinton broke out of the pattern of political speeches, of the expected and the calculated. He spoke as if from inside himself, responding in emotional terms to the appalling reality in the country.

The response he got shows that one thing Americans want a president to do is to speak out about wrongs: not always to have a 10-point plan, a graph, but to speak. No one person can solve the problems of social decay, but the president can make the people face it. That is Teddy Roosevelt's bully pulpit.

The NAFTA issue has another lesson. To be effective, a president must focus on objectives crucial to him and the country. And he must be resolute in pursuit of those objectives.

Mr. Clinton was slow to focus on NAFTA. While he delayed, opponents got commitments from a lot of House Democrats who could have been won for the treaty. The opposition got so far ahead that many expected the president to back away from NAFTA. Instead he went all-out and won.

Too often before now Mr. Clinton has backed away from declared positions. There was a widespread belief in Washington that if you made something difficult for him, he would cave. In politics that perception is disabling. Mr. Clinton will have dispelled it if he follows up his NAFTA performance with resolve on other issues.

Not just Congress but the world is ready for resolute American leadership. Many issues await it: GATT. Only a few weeks remain to conclude the Uruguay Round of world trade negotiations, far more important economically than NAFTA. The negotiations will not succeed without a real push from the president.

With President Clinton as allowed America to be pushed around by a few hundred goons. Does he mean it when he says he is committed to dislodging the coup leaders? If so, it is time to take more determined action, not excluding the use of military force.

It is past time to stop the CIA from undermining his Haitian policy. The agency has been pushing vicious disinformation of President Jean-Bertrand Aristide based on interviews with the very men who overthrew him. Who does the CIA think is the president, Bill Clinton or Jesse Helms?

Bosnia. Without going back over the question of stopping Serbian aggression, Mr. Clinton can do much to prevent the tragedy from becoming worse. Indeed, he may be the only person who can prevent human disaster from occurring in Bosnia this winter on a massive scale.

The first snow has fallen in Sarajevo. Supplies of food are inadequate, and the Serbs have again cut the flow of natural gas. They continue to block relief shipments, and they are shelling other Muslim enclaves that are supposedly safe havens.

Mr. Clinton can at least speak out about the need to get relief through, focusing the world's attention on the problem. He can launch an airlift to Sarajevo and Gorazde airports — parachute drops are inadequate, especially in winter. He can warn Serbia to stop blocking the gas supply or see its own cut off.

Mr. Clinton, in short, should be the president. He knows how. The New York Times.

NAFTA: Only a First Step

A neophyte watching the House of Representatives vote on the North American Free Trade Agreement could be excused for thinking that President Bill Clinton was the leader of the Republican Party, supported by a minority of the Democratic Party. But however odd the coalition — 132 Republicans and only 102 Democrats — Mr. Clinton won a small economic and huge political victory in pushing NAFTA through the House.

NAFTA will open Mexico's borders to more U.S. exports and investment, a worthwhile achievement. And the NAFTA win empowers Mr. Clinton to complete the more important Uruguay Round of international trade talks. The vote also tells Congress that the White House knows how to play tough, which should make health care and welfare reform a bit easier to achieve.

Critics accuse Mr. Clinton of buying the NAFTA vote at taxpayer expense. But he bought victory remarkably cheaply. For all the wheeling and dealing, Mr. Clinton did not apparently gut NAFTA, undermine the Uruguay Round or saddle future taxpayers with a big bill. For example, he promised wheat and peanut growers that he would investigate Canadian export policy; but this poses little danger to consumers or Canada because any action the United States might take could be appealed to an impartial panel. He promised vegetable and citrus growers that he would limit tariff cuts on their products under the Uruguay Round; but he can do that without violating the draft agreement under negotiation. And, the presi-

dent did not, as environmentalists feared, ease restrictions on pesticides. With NAFTA won, Mr. Clinton can now move on to the Uruguay Round, which must be negotiated by Dec. 15 to meet a congressional deadline. Under the draft accord, tariffs and other trade barriers on food, services, foreign investment and copyright materials would come tumbling down — each of which would help the U.S. economy.

The agreement promises to add hundreds of billions of dollars to the world economy. But finalizing the deal will not be easy. Mr. Clinton will have to overcome opposition from the domestic textile industry and the French government, which threatens to undermine the entire agreement for the sake of a handful of farmers.

Next, Mr. Clinton has to make good on his promise to send Congress a bill early next year that would provide dislocated workers substantial training and education. With or without NAFTA, millions of Americans will lose long-held jobs because of transformations within the U.S. economy. The compassionate answer is to provide opportunities to acquire new skills. Mr. Clinton has set out the right vision: an America that opens its borders to foreign goods in return for similar access abroad; an America that provides ample resources to train its workers so they achieve high productivity and, therefore, high wages. NAFTA is only the first step. — THE NEW YORK TIMES.

In Seattle, Remember The People

By A. M. Rosenthal

NEW YORK — Billions to buy congressional votes and a fist in the face to American labor — after less than a year in office, that is what Clinton idealism came down to in the NAFTA debate.

Now the president is in Seattle to face a different problem of political morality: the human right of Chinese men and women to live, work and talk without fear of years in torture cells — to fight for it or not.

The president can use the new strength he claims from his NAFTA victory, one of two ways. He can push Beijing toward human decency for Chinese who do not bow their minds to communism, and for the people of Tibet, captive and brutalized for almost a half-century.

Or he can do what appeals now to some politicians and journalists who once talked big about human rights in China — give the issue a little pious attention but quickly get down to political and business deals. All right, maybe that will help the Communists and their army. But hey, it is a big-boys world and maybe the deals will help some American businesses with the bottom line.

At least show time in Seattle will not be as expensive for the taxpayer as voting time in Washington. On both sides of NAFTA were honest opinions in the House of Representatives. One was that NAFTA would open a new era of open trade. The other was that the pact as written would be like a small cat with tiger fangs — interesting but nothing to be around the house.

NAFTA's opponents saw it as perpetuating Mexican conditions that no American worker could or should compete with — child labor, peon wages, government union-busting.

Afraid to leave the decision to a clean ballot, the administration bought votes with tariff breaks and other goodies; for members from citrusland, for sugar, for peanuts, beef frames, wine, wheat, manhole covers.

The money comes from the taxpayer. As for the bill — who will ever add it up? The White House? As had as bribes was the campaign of distortion about the beliefs and emotions of U.S. workers. They were not fighting against free trade, as the NAFTA lobbyists said, but against a perversion of free trade that could send billions of thousands of them into the humiliating wasteland of unemployment.

Lane Kirkland, AFL-CIO president, says he asked the administration, Mr. Clinton included, to insist on strict enforcement against built-in Mexican competition-killers. He said he wanted no more than the enforcement NAFTA gives against violations of intellectual property — patents, royalties and so on. The administration said yes, according to Mr. Kirkland. Only when it failed to come through, he says, did labor go into the field against NAFTA.

Mr. Clinton's "victory" forced into opposition millions of working people who had voted for him. They (and I) would have supported NAFTA, if they had been given the safeguards granted to Americans who produce "intellectual property."

If this political spectacle, this open government vote-buying and bone-breaking, had taken place in Japan, say, or India or Italy, American correspondents in those countries would have filed astonished stories about the strange ways of the natives. But when it happened in Washington, American journalism, by and large, positively glowed with admiration. Man, see how tough Bill Clinton is, how at last he knows how to bait with money, like other presidents.

American correspondents abroad got rotated every few years so they don't start to think widow burning is normal, even admirable — or vote-buying with public money. Mr. Clinton said NAFTA was the "defining" moment for America. I doubt that. But Seattle will help "define" the Clinton administration. Is it recasting itself in the Bushbaker mold — tough guy, power play, cash register uber alles? Or does the administration remember the title of that Clinton-Gore campaign book, "Putting People First?"

Chinese dissidents, Tibetan captives, Mexican children forced to labor, American union members, you could say they are all people. The New York Times.

A Fresh Start for Japan

It is not only President Bill Clinton who has been living dangerously this week. Japan's prime minister, Morihiro Hosokawa, has just won the crucial votes on a tremendous package of electoral reforms that will fundamentally change the character of Japanese politics. It was not easy. Mr. Hosokawa heads a coalition of seven parties with only one thing in common — that none of them is the Liberal Democratic Party, long dominant but now discredited by a succession of gross scandals.

Mr. Hosokawa's stake in the enactment of these bills was even higher than Mr. Clinton's in the NAFTA vote. His personal standing depended heavily on passage, and bad the bills failed, his government might well have collapsed. His plans for reform run into sharp opposition within his own coalition, for they will change profoundly the rules of the game that all Japanese politicians have played throughout their careers.

As the reform bills have emerged from the lower house — and they will almost certainly be enacted — they tie reapportionment, redistricting and campaign finance reform into one huge package. Until now, the parliament has been elected from districts each of which has several seats, a system that blurs candidates' differences on the issues and emphasizes per-

sonal favors. Under the reform legislation, most of the parliament would be elected in single-member districts, and the rest (to preserve the small parties) by proportional representation. It would shift seats to the cities at the expense of rural areas. As for fund raising, all contributions to individual candidates would be prohibited, and any donation of more than \$500 to a party would have to be reported publicly.

The effect will be an electoral system tilted less strongly in favor of producers — the alliance of industrial and farm interests that has run Japan since the late 1940s — and less strongly against consumers. That change is long overdue in a country with great wealth but a severely constrained standard of living.

From this achievement, Mr. Hosokawa now turns to the conference of Pacific Rim governments in Seattle. Just as the congressional vote in Washington on trade strengthened President Clinton on his way to this meeting, the parliamentary votes in Tokyo on political reform strengthened Mr. Hosokawa and elevated his stature. Both arrived in Seattle with increased authority to deal with the great questions of trade and international security that await them there. — THE WASHINGTON POST.

More Than a Handshake

President Bill Clinton's meeting with Pacific heads of government gives him a superb opportunity to end one of the oddest and most painful diplomatic anomalies of the Cold War: the 10-year chill between the United States and New Zealand, two countries that by all rights should be the warmest of friends.

Until late this week, it was unclear who Mr. Clinton's opposite number from New Zealand would be. But with the final counting in a very close parliamentary election now complete, Prime Minister Jim Bolger has emerged as the winner. Mr. Bolger will represent his country at the APEC conference, Mr. Clinton should go beyond a mere handshake and offer to begin discussions aimed at ending the impasse.

The chill began in 1984, when New Zealand's Labor Party campaigned on a promise to bar nuclear vessels from New Zealand ports. Labor won that election, and in 1986 Parliament, with broad public support, passed legislation banning nuclear-armed and nuclear-powered ships. That provoked outrage in Washington partly because it was felt that New Zealand's action would encourage anti-nuclear

protests in West Germany, Japan and Britain, and weaken allied resolve. The result is that since the mid-'80s, no New Zealand prime minister has been officially invited to Washington, and very little serious business has been transacted between the U.S. secretary of state and New Zealand's foreign minister.

Such pique seems badly misplaced in a world in which nuclear "resolve" is no longer a big priority. Furthermore, it is time Washington paid attention to what unites the two countries. New Zealand is an exemplary democracy whose soldiers served beside Americans in Korea and Vietnam. Its nuclear allergy is bipartisan and stems in large part from its special cultural and historic ties to the small Pacific islands where the West has conducted many of its nuclear tests.

New Zealand may someday be prepared to modify its nuclear-free-zone legislation. But Mr. Clinton and his secretary of state, Warren Christopher, should not make that a condition for ending an anachronistic quarrel and bringing an old friend in from the cold. — THE NEW YORK TIMES.

Other Comment

Don't Stretch APEC Too Far

The Asia-Pacific Economic Cooperation meeting in Seattle (comes) at a time when global trade negotiations under GATT, already two years behind schedule, have yet to surmount major obstacles toward agreement. Since APEC's 15 members account for about 50 percent of the world's gross national product and more than 40 percent of global trade, the Seattle meeting could pack a major force on global trade issues. We do not expect the forum to be inward-looking and protectionist. It can contribute greatly to facilitating an open, free global trading system.

The informal summit is also opportune because it is high time for the four-year-old APEC to work out a clear, common vision of its future role of better managing the growing interdependence of regional economies, instead of continuing its activities

mostly on an annual circuit of conferences. We hope President Bill Clinton is sensible in not pushing harder on institutionalization and trade liberalization; that may stretch the forum beyond the point it can bear. — The Jakarta Post.

Cuba's Long Road to Reform

Cuba is giving some signs of adapting its economy to the new world situation. Clearly, the road the Cubans must follow to insert their country competitively into world markets is a long and difficult one, not only because of the lack of adequate structures but because of the "economic culture" of the officials implementing the process. Generations were educated in an environment dominated by the notion that the state is the main, if not the only, economic agent, and with little idea about competition. — El Mercurio (Santiago).



A Leaner New Zealand Looks North

LONDON — New Zealand voters want to slow the pace of change in their country, judging by results of last Saturday's elections. They kept the conservative National Party of Prime Minister Jim Bolger in power, but with an overall majority of only one seat. They also voted for a system of proportional representation that will make it hard for any party to get an overall majority in the future, thereby placing a premium on compromise.

The prime minister will have to ease up on the changes his government has made, particularly in social welfare, health and labor relations. Jim Anderson, leader of the Alliance party, which won 18 percent of the popular vote and two seats in the new Parliament, has said that he will press for changes in policy, without trying to bring down the new government.

Mr. Bolger's biggest problem will be to contain the fiscal deficit. All parties recognize the need to do so; the country is saddled with a heavy burden of debt-servicing. But the opposition parties all want the government to spend more, especially to reduce unemployment. Only Mr. Anderson has dared suggest that taxes should be raised to meet the cost.

Economic growth is picking up. Forecasts think it could reach 4 percent this year, up from 3 percent last year. If so, some of the demands for spending can be met without additional borrowing.

About once in 50 years, New Zealand seems to become a testing ground for new ideas. In the 1890s it was "socialism sans doctrines"; in the 1930s, the welfare state. In the 1980s, free-market principles were applied, more thoroughly than in most other countries. The changes

introduced by the Labor government of David Lange were far-reaching and timely, and they made New Zealand more competitive.

But the cost has been high. Unemployment, virtually nonexistent until the 1970s, now exceeds 10 percent. New Zealanders put up with this for more than five years, but their patience is fast running out. They want to settle down and see whether the changes will work.

They can probably afford to. Unemployment is still high, but costs have come down: They are said to be 30 percent below Australia's. And exports are up — especially exports to East Asia. That region now takes nearly half of what New Zealand sells overseas — more than twice as much as Europe or America.

With a leaner and more competitive economy, New Zealand is well-placed to supply the rapidly growing markets to its north — the fastest growing markets in the world — particularly with the Western food they now demand. It was with all this in mind that Mr. Bolger flew off to Seattle — once his electoral victory was confirmed — to take part in the conference of Asian and Pacific leaders called by President Bill Clinton.

The writer is a former New Zealand high commissioner to London. He contributed this comment to the International Herald Tribune.

Without Faith, No Meaning

The following is a previously unpublished letter, dated Nov. 12, 1939, from the psychologist C. G. Jung to Ruth Topping, a prominent social worker. She had asked him to explain a comment of his in a Chicago newspaper: "Among all my patients in the second half of life... every one of them fell ill because he had lost what the living religions of every age have given their followers, and none of them has been really healed who did not regain his religious outlook."

In her letter, Miss Topping wondered how Mr. Jung would define the phrase "religious outlook."

By C. G. Jung

ZURICH — When you study the mental history of the world, you see that people since times immemorial had a general teaching or doctrine about the wholeness of the world. Originally and down to our days, they were considered to be holy traditions taught to the young people as a preparation for their future life. This has been the case in primitive tribes as well as in highly differentiated civilizations. The teaching had always a "philosophical" and "ethical" aspect.

In our civilization this spiritual background has gone astray. Our Christian doctrine has lost its grip to an appalling extent, chiefly because people don't understand it any more. Thus one of the most important instinctual activities of our mind has lost its object. As these views deal with the world as a whole, they create also a wholeness of the individual, so much so, that for instance a primitive tribe loses its vitality when it is deprived of its specific religious outlook. People are no more rooted in their world and lose their orientation. They just drift. That is very much our condition, too. The need for a meaning of their lives remains unanswered, because the rational, biological goals are unable to express the irrational wholeness of human life. Thus life loses its meaning. The problem itself cannot be settled by a few slogans. It demands concentrated attention, much mental work and, above all, patience, the rarest thing in our restless and crazy time. The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Vexed Anarchist PARIS — The Marseilles police continues to make judicial searches at the residences of all the known Anarchists of the town. It appears that Mme. de Saint-Remy, the Anarchist who was arrested a few days ago, is quite insane. Her statements and ideas are such as would not be likely to be expressed by a person with the faculty of reason. She wrote to the station-master at Marseilles saying: "If they make me pay for my ticket in future when I travel I shall blow up the station." Mild resentment of an annoying imposition!

1918: 'Maréchal Pétain' PARIS — Verdun's defender, General Pétain, the Commander-in-Chief of the French Armies, was elevated yesterday [Nov. 19] to the dignity of "Maréchal de France." Every "pétain" will rejoice at this news, for Pétain has always been the friend of the soldier. The present high standard of

the French Army, which has enabled his soldiers to gain such an overwhelming victory over the Germans, is entirely due to his great efforts since May 17, 1917, when he took over the supreme command, succeeding General Nivelle.

1943: Fascist Is Freed LONDON — [From our New York edition] The pre-war British Fascist leader, Sir Oswald Mosley, and his wife were released secretly from Holloway prison before dawn today [Nov. 20] and taken into seclusion as nation-wide protests increased. The Mosleys were reported to be in an Oxfordshire hamlet tonight, protected from the hue and cry against the government's decision to free them on the ground of Sir Oswald's general debility and plebeianity. Orators at street-corner rallies demanded today: "What are we fighting against? — plebeianism or Fascism?" Mosley's second wedding in 1936, was attended by the Fuehrer Adolf Hitler.

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APEC SUMMIT / EMBRACING THE FUTURE

U.S. to Allow Sale Of Supercomputer In Gesture to China

By Elaine Sciolino
New York Times Service
WASHINGTON — In a goodwill gesture toward China, the Clinton administration has agreed to sell it a sophisticated \$8 million supercomputer.

The decision is part of the administration's strategy to embrace, rather than isolate, China despite disagreements over human rights, weapons proliferation and trade. The Clinton administration is determined to grab a larger share of China's market, the fastest growing in the world, and reduce a trade deficit that by the end of the decade could exceed America's imbalance with Japan.

President Bill Clinton said Friday that the sale of the supercomputer did not reflect a softening of his pressure on China. Reuters reported from Seattle.

"We haven't changed our policies," Mr. Clinton said. "Our policy is to engage China, to be very firm on human rights, to be very firm on proliferation issues."

Even more significant for American business, the administration has also decided to lift the ban on generators and other components for China's nuclear power plants, Commerce Department officials said.

That could mean billions of dollars in sales for General Electric Co., which has begun to break into the Chinese market.

But the decision to go forward with the supercomputer sale is strategically more important because it signals the willingness of the Clinton administration to sell high-technology equipment to Beijing.

The Clinton administration was also eager to give a lift to the financially troubled company that makes the computer, Cray Research Inc. of Eagan, Minnesota.

The decision was relayed to China's foreign minister, Qian Qichen, by Secretary of State Warren M. Christopher in Seattle on Wednesday.

The administration decided to allow the sale despite clear evidence that China had broken promises to Washington by exporting M-11 missile components and technology to Pakistan in violation of an international agreement.

The computer is to be used for weather prediction by China's State Meteorological Administration. Although there has never been a statutory ban on the supercomputer sale, the Bush administration postponed the deal last December after intelligence reports showed that China had exported the M-11 technology. But in the final days of his administration, President George Bush overruled the Defense Department and ordered the approval of a license pending necessary processing.

That put the decision on the desk of President Bill Clinton, who had

accused Mr. Bush during the presidential campaign of not doing enough to halt the spread of nuclear, chemical, biological and ballistic missile technology.

In informing Mr. Qian on Wednesday, Mr. Christopher did not ask for any concessions from Beijing.

Mr. Christopher also told Mr. Qian that the United States would be prepared to interpret an American law governing the export of high technology to China to allow the export of two of the seven sophisticated American-made satellites banned by sanctions imposed on China in August, senior administration officials said.

But the administration could offer such a gesture only if China opened formal talks on the sanctions and its missile sales, which thus far it has refused to do, arguing that the sanctions had to be lifted first.

Mr. Qian showed some flexibility, saying that the Chinese were willing to study entering into such consultations, the officials said.

In August, as required by American law, the administration imposed sanctions on an estimated \$1 billion in high-technology trade, including a ban on the export of the seven satellites, after American intelligence agencies produced conclusive proof that China was continuing to ship M-11 technology and equipment to Pakistan in violation of the accord known as the Missile Technology Control Regime. The law only covers sanctions against the Chinese companies involved in weapons transfers and therefore does not apply to the supercomputer.

Some administration experts on nonproliferation, particularly in the Defense and Energy departments, argued against the sale of the supercomputer, saying it would give China important new technology that could help its nuclear and ballistic-missile development.

Senior officials involved in the decision insist that the computer will be sent under strict conditions, including substantial American monitoring, that will prevent its diversion for military uses.

But some Pentagon officials and lawmakers disagree. Senator Paul Simon, Democrat of Illinois, who has opposed the sale, said: "It's a mistake. We have to be firmer with China, and that's what China will respect. We should not be sending that kind of high-tech equipment to any nation that continues nuclear explosions."

A Pentagon official involved in proliferation issues said: "There are technical difficulties putting in safeguards. And if the Chinese manage to use the supercomputer in a weapons program, no one's going to go in there and pull the plug."



President Bill Clinton talking to a young cancer patient, also named Bill Clinton, at a rally in Seattle.

No Opening on Japan Trade

Compiled by Our Staff From Dispatches

SEATTLE — President Bill Clinton and Prime Minister Morihiro Hosokawa of Japan discussed security and economic issues Friday, but reached no agreement on Japanese barriers to rice imports or on broader bilateral trade disputes.

According to U.S. officials, the first issue raised by Mr. Hosokawa was North Korea. They said he emphasized the need for continuing cooperation among China, the United States and Japan on how to deal with North Korea's refusal to permit inspections at its nuclear installations.

Mr. Hosokawa also said he was encouraged by the nature of the dialogue between Washington and Beijing.

Mr. Clinton and Mr. Hosokawa conferred on the sidelines of the meeting here between heads of state and government attending the Asia-Pacific Economic Cooperation forum.

During his talks with the Japanese prime minister, the aides said, Mr. Clinton said he hoped for "concrete results" in negotiations on a framework for U.S.-Japanese trade.

Mr. Clinton told Mr. Hosokawa that his "vi-

sion" for global economic growth was to reach a day when all major industrial nations have equal openness to investment and trade, the U.S. officials said. Thus, individual companies' ability to compete would rest on their own initiative and merit, Mr. Clinton said.

After their meeting Mr. Hosokawa said he had emphasized the domestic obstacles to opening his country's rice market.

"Let me point out that this is a very serious issue in Japan," Mr. Hosokawa said, "and one has to be very careful in not getting this rice issue in the way of political reform."

Mr. Hosokawa came to Seattle after winning an important victory in the Japanese parliament on Wednesday for his political reform program.

But he said Friday that he had not succeeded in completing his political reforms and still faced an uphill battle.

Mr. Clinton also said that Mr. Hosokawa had accepted an invitation to visit the United States in February. U.S. officials said Mr. Hosokawa would begin the visit Feb. 11. (IHT, AFP, Reuters)

A Fear of Economic Fallout U.S.-China Trade Tussle Worries East Asia

By Michael Richardson
International Herald Tribune

SINGAPORE — When the United States threatened earlier this year to withdraw trade privileges from China because of its alleged human rights abuses and other issues, East Asian countries expressed a chorus of concern that centered on the political and security risks of isolating a regional giant.

However, as the Clinton administration again intensifies pressure on China to open its market, and with investment from East Asian countries rising dramatically in China, the concern in East Asia is shifting to the economic damage their firms would suffer from U.S. sanctions should Beijing fail to respond to Washington's demands.

Recent signs of a thaw in relations between Washington and Beijing, and the meeting in Seattle on Friday between the presidents of the two countries, have raised hopes in East Asia that a reconciliation may have started.

But the new American policy of "constructive engagement" with China is being accompanied by warnings that the United States will take retaliatory trade action if Beijing fails to open its markets by a Dec. 31 deadline.

U.S. trade officials say that China would have to agree to eliminate illegal exports of textiles and clothing to the United States and would have to make "significant" progress in improving protection of intellectual property rights and widening American entry to its market for services as well as goods.

Economists and bankers said American retaliation would hit a growing number of manufacturers mainly from Hong Kong and Taiwan, but also from Japan, South Korea and Singapore.

They have built factories in China partly to circumvent the threat of protectionism in the United States, which has been by far the largest single market for their products over the past two decades.

"That's why China's trade surplus with America is now much bigger while the surplus of Hong Kong and Taiwan are much smaller," said William H. Overholt, managing director of Bankers Trust Co. in Hong Kong.

China's surplus is likely to rise to about \$23 billion this year from \$18.3 billion in 1992, according to official U.S. figures.

Mickey Kantor, the U.S. trade representative,

warned recently that America could not sustain such a deficit with China "either politically or economically."

Mr. Overholt said that East Asian investors on the mainland, by ensuring that their products heading for the United States carry "Made in China" labels, had transferred some of their trade imbalance problems with Washington to Beijing.

"At the moment, they get all the profits but none of the grief from Washington," he said.

However, that would change with loss of access to the American market at the lowest prevailing duty. Such a loss would occur if the Clinton administration carried out its threat to withdraw China's most-favored-nation trading status next June unless Beijing demonstrates progress in opening its markets and improving its record on human rights and arms sales.

Analysis said that U.S. curbs on exports from China would also damage the burgeoning Chinese domestic market.

Like other successful East Asian countries, China depends on an export-oriented strategy to sustain its high rate of economic growth. About one-third of China's exports go to the United States.

In the search for cheaper land and labor as well as access to a market of 1.2 billion consumers, companies from Hong Kong, Taiwan, Japan, Singapore and South Korea made over \$39 billion in investment commitments in China in 1992, nearly five times the figure for 1991.

In adopting an open-door policy, China "has become a new frontier of investment opportunity" for East Asian nations with surplus capital, said John Wong, director of the Institute of East Asian Political Economy in Singapore.

He estimated that more than 85 percent of total foreign investment in China is from Japan and the four newly industrialized economies of East Asia.

While actual foreign investment in China last year was estimated by the World Bank at \$10 billion dollars, analysts said that the huge volume of commitments was a sign of the surge that could occur in the next few years.

Japanese multinationals, but by the rise in the value of the yen, have been shifting a bigger share of their overseas investment to China to keep exports competitive and gain a foothold in a huge country that "promises to be a lucrative market in the medium term," said C.H. Kwan, regional economist for the Nomura Research Institute in Tokyo.

Japan's surplus is likely to rise to about \$23 billion this year from \$18.3 billion in 1992, according to official U.S. figures.

Mickey Kantor, the U.S. trade representative,

CLINTON: President Vows to Seek Open Markets

Continued from Page 1

APEC trade ministers called for "urgent action" to wrap up the GATT talks.

"The time for pledges and commitments is long past," they said in a joint statement. "We challenge Uruguay Round participants to improve their market access offers in Geneva."

Their statement, hacked by pledges of tariff cuts, was clearly aimed at pressuring Europe, and in particular, France, to meet the Dec. 15 deadline in the talks.

"We trust our partners in Geneva will take notice," said Mickey Kantor, the U.S. trade representative.

The 116-nation GATT world trade body, based in Geneva, has

set the deadline as a final chance to complete seven years of negotiations.

Under the tariff-lowering agreement, APEC members signed a pledge to reduce their tariffs on one or more products. The statement lists seven products areas, but services and agricultural products are not included. The products are electronics, nonferrous metals, paper, wood, scientific equipment, toys and oilseeds.

China and Taiwan are not GATT members, nor is Brunei. Indonesia does appear on the list of APEC nations pledging to reduce tariffs in the seven areas and tropical hardwoods, a prime Indonesian interest, are not included in the wood category of products. Mexico

and Papua New Guinea also do not appear on the list of nations promising tariff cuts because they became members officially only on Friday and did not take full part in the deliberations.

Even with the Asian effort to prod Europe, Hong Kong's trade secretary, T.H. Chau, predicted that "the final concessions won't appear until close to midnight on the 15th of December."

Nevertheless, he said, he was optimistic and detected "a more realistic mood in Paris."

The Asian move on GATT expands similar pledges made last July in Tokyo by the United States, Japan, the European Community and Canada.

Jiang Says He Will Seek Nuclear Calm in Korea

Reuters

SEATTLE — President Jiang Zemin of China assured President Kim Young Sam of South Korea on Friday that Beijing would play an active role in getting North Korea to end widespread fears about its nuclear ambitions.

The two men, meeting privately during a summit meeting of Pacific Rim leaders in Seattle, agreed to make every effort to settle the nuclear issue and to promote peace on the Korean Peninsula, Mr. Kim's spokesman said.

With the end of the Cold War, the U.S. and South Korean leaders regularly describe the possibility of North Korea acquiring atomic weapons as the greatest threat to stability in East Asia.

Despite warnings from the United States that it could face international sanctions, and despite U.S. offers to come to terms diplomatically, North Korea has defied international efforts to persuade it to drop its nuclear development program and open suspected nuclear sites to international inspection.

Mr. Kim told Mr. Jiang he was worried that Japan might develop nuclear weapons and set off a full-scale nuclear arms race in the Far East if Pyongyang succeeded in developing a bomb.

"The North's nuclear program poses a grave threat not only to us but also to China," the spokesman quoted Mr. Kim as saying.

Seoul, Washington and its allies fear the North is dragging out negotiations in a ploy to build a bomb, though estimates vary on how far Pyongyang has progressed.

South Korean officials accompanying Mr. Kim said Seoul was still committed to a solution through means other than sanctions.

"Critics say that we have gone extra miles diplomatically," a Foreign Ministry official said. "But our position is to avoid sanctions if possible."

Seoul considers China's cooperation vital on the peninsula because Beijing is the Communist North's only major ally since the Soviet Union's collapse.

South Korea and China set up diplomatic ties in August last year, ending decades of hostility.

Mr. Kim told Mr. Jiang that Seoul was willing to assist the North economically if the North completely removed suspicions about its nuclear sites.

Mr. Kim is due to go to Washington for talks with President Bill Clinton on Tuesday, during which they are expected to coordinate policies toward the North.

The United States has recently held out the prospect of establishing formal diplomatic ties with the North and canceling its annual war games, which Pyongyang has denounced as a rehearsal for an invasion of the North.

that China this year will be Boeing's biggest overseas customer. He thanked the company for its help in lobbying for a retention of China's preferential trade status.

"I believe that the American business communities will seize the opportunity and further expand cooperation with China, bringing Chinese-U.S. trade and economic relations to a new high," Mr. Jiang said.

"I am sure," he added, "that so long as the business communities and governments of the two countries work together to remove all the negative factors and artificially imposed obstacles, we can certainly further promote the improvement of Chinese-U.S. relations."

—PAUL F. HORVITZ

Clinton's Last Canadian Hurdle

By Anne Swardson
Washington Post Service

TORONTO — Less than two days after his victory in the House of Representatives, President Bill Clinton is moving to overcome another potential obstacle to implementation of the North American Free Trade Agreement: the new Canadian prime minister, Jean Chrétien.

As he did throughout the campaign that brought his Liberal Party into office last month, Mr. Chrétien insists that he wants changes in portions of NAFTA. His reservations are holding up Canada's last remaining legal step before the accord becomes law here, a step that must be taken by Jan. 1 for the treaty to go into effect on schedule.

However, after meeting with Mr. Clinton in Seattle on Thursday night, Mr. Chrétien said that progress had been made in some areas.

"We are closer, but we are not there," he said. "When I see it is not enough, I will say yes. When I see it is not enough, I will not say yes."

Mr. Clinton was reported by The Canadian Press as saying: "We don't have a lot of time. As you know, Canada has to make a decision on this by the end of the year. I think we can do it."

It is believed here that Mr. Chrétien is looking for a way to say that his goals are being met without fundamentally altering the pact passed by the House.

"Our government has to save face," said Michael Bliss, professor of history at the University of Toronto. "It has to be something so Mr. Chrétien can say he achieved gains. But the last thing he would want is for people to say he screwed up NAFTA."

Mr. Chrétien is principally concerned with NAFTA's failure to define the rules of fair trade in the areas of governmental subsidies and below-cost "dumping" of exports. Those ambiguities, it is widely believed in Canada, have allowed the United States to charge Canada with unfair trading in such exports as lumber, pork, steel and wheat under the existing free-trade treaty between the two nations.

On Friday, U.S. and Canadian

officials in Seattle set to work to devise a process to write those rules, and Canadian officials said they could be incorporated into some kind of parallel accord to NAFTA. They also said the creation of a process to write those rules would be satisfactory; the

substantive changes do not have to be made by Jan. 1.

But Mr. Chrétien also has a problem with the energy provisions in the pact. He wants assurances that Canada will not have to sell its oil and gas to U.S. buyers if it chooses not to do so.

DIAMONDS

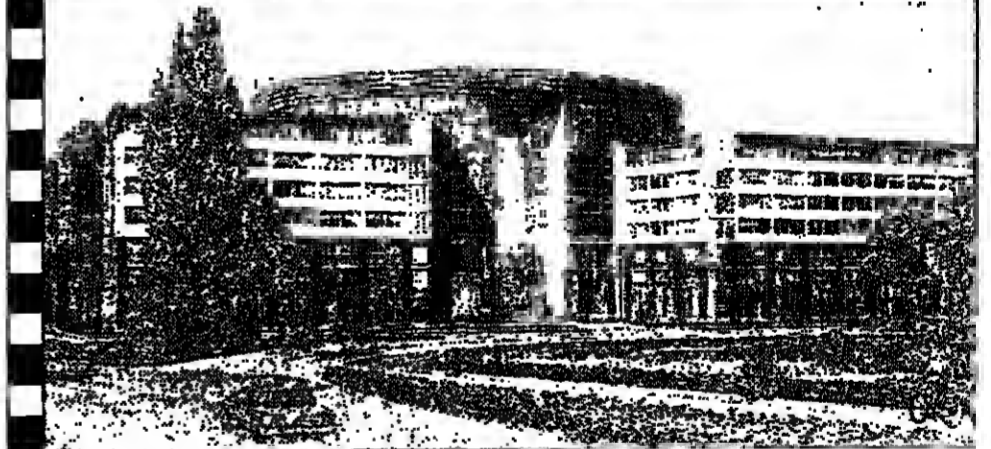
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PARIS
Monday, November 22, 1993

Rooms 5 & 6 at 8:30 p.m. - IMPORTANT MODERN PAINTINGS AND SCULPTURES. BALTHUS, BAUCHANT, E. BERNARD, BONNARD, CHAGALL, DALL DUFY, GROMAIRE, GULLAUMIN, HERBIN, MARQUET, MATISSE, PICASSO, PISSARRO, VAN DONGEM, VUILLARD.
Major work by Wasily KANDINSKY "Dans le cercle noir", 1923, 130 x 130 cm. From the estate of Monsieur Adrien Maigret, E. BERNARD: "Le Salon" (1890), S. DALL: "Passage de Port Uliaga" (1959), P. GAUGUIN: "Femme de Tahiti" (1912). On view at the auctioneer's office: LOUÏSFER, Saturday 20 November from 11 a.m. - 6 p.m., Sunday 21 November from 11 a.m. - 4 p.m. - At Hotel Drouot: Monday 22 November from 11 a.m. - 6 p.m. Catalogue on request at the auctioneer's office FF 120, with postage FF 150. Available at Art and Auction, New York, Tel: (212) 942-5633, LOUDNER 7, Rue Rossini, 75009 PARIS, Tel: (1) 47 50 50 50 - Fax: (1) 49 79 50 51.

Wednesday, November 24
Rooms 5 & 6 at 2:30 p.m. FURNITURE & OBJETS D'ART. SILVER, CARPETS, TAPIS, MILLON-ROBERT. 19 Rue de la Grange Batelière 75009 PARIS, Tel: (1) 48 00 99 44, Fax: (1) 48 00 98 58.

Thursday, November 25
Room 9 at 2:00 p.m. MODERN & CONTEMPORARY PAINTINGS. Exceptional set of 184 works by Mikil Chialakian, CHRISTIAN DE QUAY, 8, rue Rossini, 75009 PARIS, Tel: (1) 47 70 61 15, Fax: (1) 47 70 55 71.

Monday, November 29
Room 2 at 2:15 p.m. MODERN & CONTEMPORARY PAINTINGS & SCULPTURES. ARMAN, BUIGATTI, CEZANNE, CESAR, SOGUSHI, RENDIR.
[Paul CEZANNE (1839-1906): "Deux baigneurs", painted in 1872-1877 according to L. Venturi (in 1870 according to J. Rewald). Watercolour, gouache and lead pencil on white paper, 12.4 x 7.8 cm. Experts: M. Guy-Parice DAUBERVILLE, M. Roberto PERAZZANO, HOEBANX-CAUTURIER, 10, rue Clanchat, 75009 PARIS, Tel: (1) 47 70 82 06 - Fax: (1) 42 40 35 82.

Room 10 at 2 p.m. Jewellery, silver. Experts: M.M. DECHAUT STETTEN, de SEVIN. Etude ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

Friday, December 3
Room 10 at 2 p.m. COLLECTION C. ZAFIROPOULO (part 1) ANTIQUE BOOKS. Incunables, Significant 1st edition of texts from 15th-18th century. Calligraphy manuscripts. Exquisite bindings. Experts: M.P. BÉRES, M.D. COURVILIER. On view at the Librairie Pierre Bérés, 13, av. de Friedland 75008 Paris, Tel: (1) 45 61 00 99, Fax: (1) 45 59 79 13 from 18-24 November 9 a.m.-6 p.m. M.D. COURVILIER "Librairie Giraud-Badin" 22, rue Guyennet 75006 Paris, Tel: (1) 45 48 30 88, Fax: (1) 42 84 05 87 from 25 November to 1 December 9 a.m.-1 p.m. and 2-6 p.m. On view at Hotel Drouot (room 6) Thursday 2 December from 11 a.m.-6 p.m. and on the morning of the sale from 11 a.m.-6 p.m. ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

Thursday, Friday, Saturday, December 2, 3, 4
Room 9 at 2 p.m. LIBRARY Jacques MATARASSO. Surrealism. Illustrated Books, Original Editions, Manuscripts, Autographed Correspondence, Bindings, Magazines, Pamphlets & Documents. Private viewing at the expert's office: Bernard LOLLIE 72, rue de Seine, 75006 Paris, Tel: (1) 43 20 53 82 - Fax: (1) 43 20 29 42 by appointment from Monday November 22 to Thursday, November 25. At the Auctioneer's office Saturday November 27 11 a.m.-1 p.m. & 2 p.m.-6 p.m. Wednesday December 1, 10 a.m.-1 p.m. Catalogue, 288 pages including 857 numbers, 283 photos, constituting an important Bibliography. On request at the auctioneer's office FF 250, with postage FF 280. LOUDNER 7, Rue Rossini, 75009 PARIS, Tel: (1) 49 79 50 50 - Fax: (1) 49 70 50 51.

Monday, December 6
Room 4 at 2:15 p.m. COLLECTION BRIMO: BOOKS & REVOLUTIONARY OBJECTS. ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

Room 5 at 2:30 p.m. MODERN ABSTRACT & CONTEMPORARY PAINTINGS, SCULPTURES, ADAMI, ARMAN, ATLAN, GAJ, BEAUDIN, BRYEN, BUFFET, CASSIGNEUL, CESAR, CHAÏSSAC, CHARCOUNNE, CHARRONNET, CHU TEH CHUN, COMBAS, CORNEILLE, CSÁKY, DOMINGUEZ, DOUCET, DOUTRELEAU, ERIST, ERRO, FOJUITA, GEN PAUL, GENIN, GIJOE, GOERG, HAMBOURG, HAYTER, HERBIN, HILAIRE, JUVILE, KIKOINE, KLASSEN, LAMBERT-RUCKI, LEBOURG, LUCE, MACLET, MANOLO, MATHIEU, MODIGLIANI, MUSIC, PASCIN, PIGNON, POUIGNY, RIOPELLE, ROHNER, RUSTIN, de SAINT-PHALLE, SCHARF, SEGUI, SINGIER, SUGAL, TINGUELY, TOPOR, WOLS, ZACK, ZAO WOU-KI. On view at the auctioneer's office: Friday November 26 10 a.m.-1 p.m. & 2-6 p.m., Saturday November 27, 11 a.m.-6 p.m. Monday-Thursday, November 29 December 2 10 a.m.-1 p.m. & 2-6 p.m., Friday December 3 10 a.m.-Noon. At Hotel Drouot Saturday December 4 11 a.m.-6 p.m. and Monday December 6 11 a.m.-Noon.

Wednesday, December 8
Room 11 at 11 a.m. & 2 p.m. PRECIOUS AUTOGRAPHS, MILLON-ROBERT, 19 Rue de la Grange Batelière 75009 PARIS, Tel: (1) 48 00 99 44, Fax: (1) 48 00 98 58.

Room 16 at 2:15 p.m. JEWELLERY, COLLECTIBLES, SILVER AND GOLD OBJECTS. Experts: M. J.P. FROMAGER, Véronique Fromager, ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

Wednesday, December 8 and Thursday, December 9, 1993
Room 5 & 6 at 2:15 p.m. - COLLECTION Jeanne and Robert-Jean CHARLES (Jeanne CHARLES (sister), RARE AND EXCEPTIONAL SET OF WEAPONS & HISTORIC MEMORABILIA (2nd and 2nd sales). On view at "ADER TAJAN" from November 22 to December 2 on appointment with the expert M. J.P. Duchiron, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

Monday, December 13, 1993
Room 1 at 2:11 a.m. - MODERN PAINTINGS. At 2 p.m. GLASSWARE, ART NOUVEAU ART-DECO, MILLON-ROBERT, 19 Rue de la Grange Batelière 75009 PARIS, Tel: (1) 48 00 99 44, Fax: (1) 48 00 98 58.

Tuesday, December 7, 1993
At 2:30 p.m. - BRUNO FERRIER COLLECTION (2nd sale) EXCEPTIONAL SET OF 15th & 17th CENTURY FURNITURE, TAPETRIES, STATUES AND OBJETS D'ART. Expert: M.M. Goussier. On view at the Hôtel George V "Salon Vendôme" Monday 9 December from 3 - 9 p.m. ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

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31, Av. George V - 75008 Paris

Tuesday, December 7, 1993
At 2:30 p.m. - BRUNO FERRIER COLLECTION (2nd sale) EXCEPTIONAL SET OF 15th & 17th CENTURY FURNITURE, TAPETRIES, STATUES AND OBJETS D'ART. Expert: M.M. Goussier. On view at the Hôtel George V "Salon Vendôme" Monday 9 December from 3 - 9 p.m. ADER TAJAN, 12 rue Favart, 75002 PARIS, Tel: (1) 42 61 30 07 - Fax: (1) 42 61 30 57. In New York, please contact: Kety Maisonneuve & Co. Inc. 16 East 65th Street, Fifth floor N.Y. 10021, Phone (212) 737 35 97 737 38 13 - Fax: (212) 801 14 34.

ART

Some Western Exports to Japan

By Carol Lutfy

TOKYO — Just when it seemed that Japan had stepped down as a player in the international art arena, a new, quieter trend is bringing it back: The naouo is becoming an outpost for overseas museums, with three major branches in the works.

In October, the London Institute of Contemporary Arts launched an affiliate in Tokyo. The Boston Museum of Fine Arts is working toward the opening of the Nagoya/Boston Museum of Fine Arts in 1997. And New York's Whitney Museum of American Art is negotiating with Maruzen, a Japanese retail and book store chain, about funding for a Tokyo branch.

Shown on cash and with collections that exceed exhibition capacity, Western museums see Japanese branches as a potential solution to their problems. Spokesmen for all three institutions said Japanese affiliates would provide steady income in exchange for the use of their names, expertise and/or loans. In addition, as Charles Levison, chairman of the London ICA, put it, a formal affiliation in Japan "will give better access to Japanese funders."

From a Japanese perspective, museum branches will offer the public unprecedented opportunities to view works from overseas collections. Advocates also argue that the brand-name appeal of foreign museums will help to build enthusiasm for art. "They're a tool to get support from the general public in Japan," explained Masumi Shiraiishi, director of the Penrose Institute of Contemporary Arts, the London ICA branch.

The Nagoya Chamber of Commerce, which approached the Boston Museum of Fine Arts in

1990, for example, will use the joint venture to live up the Nagoya Urban Center, a center-city complex that will also house a hotel and parking garage. "They're like Gucci handbags, but on a much larger scale," Toshio Hara, director of the Hara Museum of Contemporary Art, said.

Some museum professionals see the trend as cause for concern. Branches like the Nagoya/Boston Museum of Fine Arts, they say, will not benefit the Japanese art world in a meaningful way. There will be no ongoing input from foreign curators, for example. Nor will Japanese curators be given the opportunity to create exhibitions from the original collections.

"How can cultural or artistic exchange take place when the only thing that is exchanging hands is money," Hara said.

There is also a view that the branches represent a step backward for Japan — "a form of cultural colonialism," said Yoshiko Isshiki, an art consultant. "It's naive to think that foreign institutions are going to lead their star works to these affiliates."

Exactly what can go wrong with a Japanese affiliate was exemplified by the opening of the Penrose Institute of Contemporary Arts on Oct. 14. Named after Sir Roland Penrose, who founded London ICA in 1947, PICA was the brainchild of the British architect Nigel Coates, who having designed the building next door, approached London ICA in 1990 to get a commission for the neighboring lot.

London ICA then made contact with Shiraiishi, one of the Japanese art world's most effective dealers and fund-raisers. Shiraiishi pulled together the financial backing, was appointed director, and Coates won the commission. The result is a trendy eight-story tower whose

interior spaces are minuscule, idiosyncratic and ill-suited for exhibiting contemporary art. PICA's opening exhibition, "Gutai 1955-56," which runs through Dec. 19, was equally ill-conceived: a sloppy hodgepodge of second-rate works from the Gutai Group, a forerunner of contemporary avant-garde Japanese art, and poor documentation.

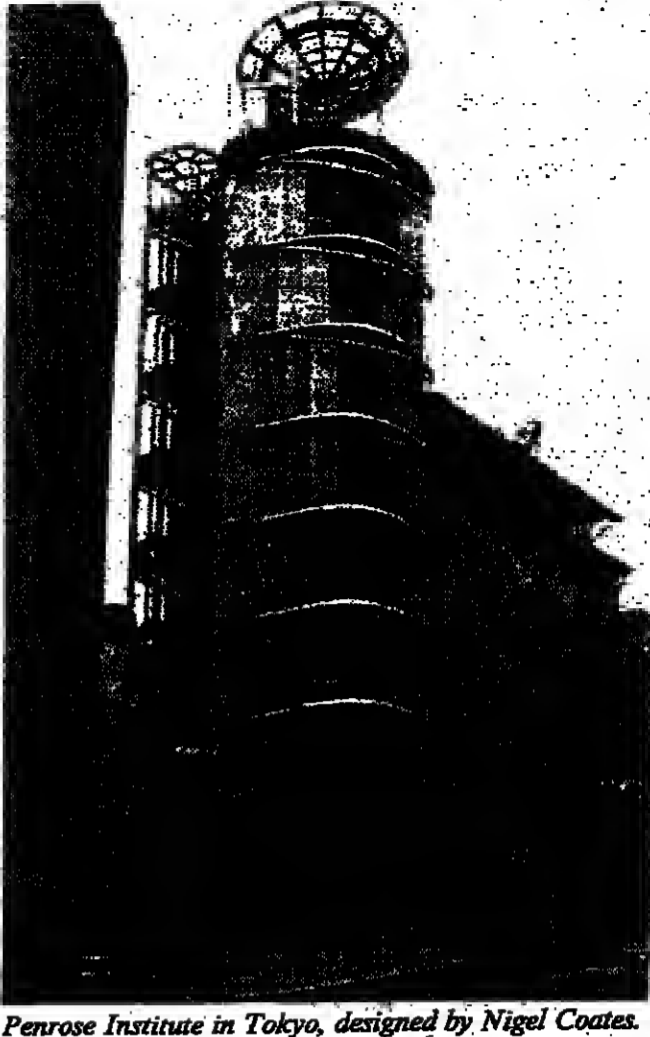
PICA does not have plans to build a permanent collection and has no staff curators ("Gutai 1955-56" was curated by a free-lance writer). Indeed, no one on the staff has museum experience, and Shiraiishi, who acknowledges that there might be a conflict of interest between his work as a dealer and his role as a museum director, is using PICA to promote artists in his stable of artists.

"I don't want you to focus on that," he said. "I understand that this wouldn't be acceptable in America or Europe."

PICA will organize about half its exhibitions, accepting only two or three shows from London ICA every year. The Boston Museum of Fine Arts, on the other hand, is charged with curating all exhibitions: a series of two short-term (up to six months) shows and one long-term (up to five years) one over a 20-year period. The Boston Museum will lend works from its permanent collection at its discretion. Both parent organizations declined to comment on the financial remuneration they would receive.

"I don't know why journalists keep focusing on the money," Shiraiishi complained. "All we're doing is working very hard to get support for contemporary art."

Carol Lutfy is a Tokyo-based free-lance journalist who specializes in the arts.



Penrose Institute in Tokyo, designed by Nigel Coates.

Cologne's Venerable Art Fair: More Mass Than Class

By David Galloway

COLOGNE — For 27 years, this city has hosted a fair that has become a barometer for aesthetic and economic trends in 20th-century art. Rarely have these rites of autumn been followed with such a mixture of apprehension and anticipation as in the weeklong installment that closed Wednesday.

Of the 283 exhibitors from 19 countries who sought to flog their wares here, few could boast major sales, though many pronounced themselves content with the number of middle-range works that changed hands.

Roy Karlen of Boston's Gallery Lafayette, which for five years has presented first-year ensembles of European Expressionism in Cologne, was pleasantly surprised. "In light of the dismal economic reports in German newspapers, one can only conclude that things nonetheless don't gyrate so wildly here as in the United States."

Thomas Segal, the only other American gallerist taking part in Art Cologne, found the climate "perky and cautiously positive." In his reading of today's uncertain market, "brand names at fair prices" are holding their own, as recent auction results substantiate.

With a Picasso solo show, primarily of works on paper, Dortmund's Gallery Utermann confirmed the trend, selling half of the 36 works on view at prices ranging from 5,000 to 350,000 Deutsche marks (about \$2,950 to \$200,600).

The buyers, as at Lafayette, were almost all private collectors from Germany. However, even the occasional sweet smell of success cannot disguise a fundamental malaise in one of the world's oldest art fairs.

ACQUISITIONS budgets are so beleaguered that few public institutions can compete, even at reduced prices, for top-quality works. Furthermore, Art Cologne has lost so much of its former international flair that it threatens to become a provincial bazaar that will have increasing difficulty in competing with the prestigious Basel Art Fair.

The fear is voiced by numerous gallerists, including Thomas Schulte of Berlin's



Photographs came on strong, above, Sander's 1929 "Farm Girls."

Gallery Franck & Schulte, who finds "too much mass, too little class" a growing tendency in Cologne. Like several of his colleagues, including Jule Kewenig, he is questioning the wisdom of returning in 1994. "To combat the creeping provincialism," he argues, "Cologne needs a completely new conception." Reducing the participants to 40 or 50 carefully screened, "serious" galleries

would, for Schulte, be an appropriate start, though he knows too well that the vested interests involved make that an improbable prospect.

Even the redoubtable Anny Juda, the grande dame of the European gallery world who was honored with the year's Art Cologne Prize, feels the fair has grown too large, its quality too inconsistent.

A decade ago, while the market for Modern and Contemporary art was skyrocketing, the direction of the Cologne fair responded by planning elaborate renovations that increased the exhibition space by 50 percent. Simply walking the aisles of this 42,000-square-meter complex takes several hours, and those viewers who go the full course are likely to suffer the conventional symptoms of shell shock.

In the irresistible name of amortization, the new space that opened three weeks ago has to be rented and, given the number of leading galleries forced to close up shop in that time, newcomers are welcomed with open arms.

Where first-rate pioneers like Hannover's Gallery Barz can at last get a rightful piece of the action, others would be better situated at one of the hurry-burly Christmas markets that will open next week throughout Germany.

The art world, to be sure, knows its own Darwinian mechanisms that will eventually thin the ranks of newcomers. The deeper and more serious crisis is that affecting the market for contemporary works.

In part, gallerists themselves can be blamed for feeding the inflationary flame of the 1980s. Many, not content with fat commissions, stockpiled works in anticipation of even larger profits. Meanwhile, prices have often fallen by 50 percent or more and would plummet further if the warehouses were emptied out.

Conspicuously absent from this year's Art Cologne were former blue-chip commodities like Schnabel and Kiefer. Warhol had only token representation, while Jeff Koons seemed to have sunk as soundlessly as a deflated basketball in an aquarium. In their place were exceptional works by classic moderns, including Feininger watercolors, Malevich drawings, and Rodchenko photographs.

Photography, indeed, was particularly strong throughout the fair, even at high-rolling galleries that only a decade ago would have regarded the medium as incon-

sequential (or worse, below their profit margin).

The indisputable photographic coup was made by Rudolph Kicken, Europe's foremost dealer in vintage photography, who presented 59 original silver prints by August Sander. These portraits of German craftsmen, farmers and workers are widely known through Sander's book "Antlitz der Zeit" (The Face of Time), published in 1929, and through later, often inferior, prints.

Kicken's portfolio, only recently discovered, was almost certainly intended to promote the book, and the original prints have suffered none of the rigors of time often visible in Sander's work. Their freshness and clarity, together with the fact that they represent a coherent ensemble, immediately prompted competitive bids from two private collectors and two museums. Kicken also sold out his stock of vintage works by Man Ray and Brassai.

A GAIN the lesson seems to be that genuine quality at realistic prices still finds enthusiastic buyers. Those hoping to pay the rent by offering smaller, inferior works at dumping prices learned their lesson the hard way. For Düsseldorf's Hans Mayer, one of the founders of Art Cologne, the qualitative trend will continue, however, only if gallerists reach out to a new public. "This year," he says, "we have encountered a new generation of collectors between the ages of 25 and 40. These are serious, engaged, well-informed people whose interests we have to cultivate." Like most of his colleagues, Mayer had no dramatic sales to report, but considerable success with works ranging from 20,000 to 50,000 DM. Among the favorites were the witty cutout sculptures of the Israeli artist Menashe Kadishman.

Mayer's sense that the market has bottomed out is shared by many art-watchers, yet there is plainly no cause for euphoria. Attitudes and priorities, including those of the Cologne fair itself, are still in need of revision. Cost-intensive special attractions like this year's superlative view of British works from the Saatchi collection only obscure the real issues. Like the city's famous eau de toilette, Art Cologne comes on strong but fades fast.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

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BOOKS

JAMES EARL JONES: Voices and Silences
By James Earl Jones and Penelope Niven. 394 pages. \$24. Scribner's.
Reviewed by Cecil Brown

EARLY in his career James Earl Jones appropriated the character of Othello as a metaphor to construct his own persona. He seemed to have extended the grace

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View of Lisbon's Baroque square before the earthquake, 1693; pumpkin-shaped kettle on a stand, 1762, and engraved silver vase and cover, c. 1720.

A Taste for the Surreal: Baroque in Portugal

WASHINGTON — The extraordinary show of Baroque art in Portugal, at the National Gallery until Feb. 6, is an event in museum annals. Dazzling in its conception, it sums up what a temporary exhibition can do: vases, permanent displays reveal at a glance what the art of a whole period is about, regardless of medium and category.

"The Age of the Baroque in Portugal" not only brings together works that rarely

SOUREN MELIKIAN

appear side by side — objects commissioned abroad and those created in Portugal, paintings as well as textiles, silver and jewelry — but it does so with a sense of operatic progression that grips the visitor from beginning to end.

The overture starts allegro con brio, on the theme "Coming to Town," even if no such title is coined. In the middle of a raised platform paved with flagstones arranged in arcs as in 18th-century European avenues, a giltwood coach seems to have just stopped. "First Noble Coach" is one of four executed in Rome for the Marquês de Fontes, ambassador extraordinary of Portugal to the Holy See in 1716. The artists who carved the figures at the back and front of the carriage have yet to be identified. They must have ranked among the greatest of their time, particularly the sculptor who conceived the woman standing in front, drapes fluttering, with rays of light darting from her head.

Yards away from the coach, two silver trumpets with pale green velvet bandoleros sending back the sheen of their gold and silver embroidery strike a triumphant note in their wall case. At the end of the room, facing the coach, a vast panoramic view of Lisbon in 1693 shows the Baroque square as it appeared along the estuary of the Tagus before the 1755 earthquake that razed most

of the city. The anonymous painting shows a procession of coaches amidst stately facades while galleons sail on the estuary. The topographic memento is about to be admitted to the presence of Pedro II, king of Portugal. Shimmering movement, the essence of the Baroque spirit across Europe, is thus suggested in just a few touches.

After an interlude, measured by the stretch of a panel of blue and white tiles giving another panoramic view of Lisbon, Part One of the exhibition begins — it could be titled "The Portuguese Aristocracy at Home." Gathered in one room, a few pieces of furniture, a handful of objects from silver to ceramics and woodwork bring out the underlying feature of Portuguese Baroque.

This is a sharpness in the chiseling so vibrant and crisp that the scorching ornament loses any of the light-hearted flippancy associated with rococo and takes on an almost threatening surreal menace. A side table made in the 1770s seems to be bouncing on its sinuous legs, while its apron, breaking into small curves, rises upward in the middle to display a scorching human mask. A silver salver lent by the Lisbon Cathedral Chapter does not have much of a religious feel. Broad swirling ribs ripple through the swelling rim, each one carved in repoussé with blossoms.

On the central boss, a galleon is chased amidst leaping dolphins. All around, in the dish area, four human masks scowl furiously, their hair and beards disintegrating into foliage. Volutes spring out where ears should be.

The Dadaistic feel gets one shade stronger in a giltwood washbasin 218 centimeters (86 inches) high. Its provenance is elusive. The catalogue noncommittally notes that "stylistically, especially in the extravagant scale of its decorative elements, it is related to mid-18th-century furniture from Berlin and northern Bavaria." A clumsily inserted small shield bearing the arms of the grandson of Louis XV, the heir apparent, must have been added by a vendor eager to enhance his merchandise.

Could the whole piece be later than the 18th century? It hardly matters for what it tells us about the perennial Portuguese taste for the Baroque. With its improbable construction of formalized foliage and eschutchons, and the almost human twist to its legs, the washbasin has that surreal touch that is the true hallmark of the Portuguese taste in Baroque.

On the second-floor level, Part Two (call it "The Glitter of Court Life") proves it again and again in a counterpoint of Portuguese silver and vessels commissioned to French court goldsmiths. The masterpiece from Portugal is João Coelho Sampaio's dish made in 1758-1768. Its scalloped rim

probably betrays the influence of Huguenot silver from Britain. But the deep shimmering grooves give it a rhythm that is eminently Portuguese.

Sebastião José de Sousa Pinto's wine caver, drawing on the same sources, brings to a head the surreal strain. A grinning face with pointed ears and a flaming beard strikes a Mephistophelian note under the pouring lip of the vessel. On the opposite side, the handle assumes the shape of a chimera rising from the rim and bending over the inside. Its arched back has stumpy little bat wings, matched on the sides of the bowl by an abstract palmette quite similar in design. The separation between mythical figuration and abstract ornament thus becomes blurred in a true anticipation of Dada.

Did the high-ranking officials sent by the king to France to order a silver service from François-Thomas Germain drop hints concerning Portuguese aesthetic pref-

erences? Although the idea was to follow the French model, one may wonder, looking at some of the pieces.

A kettle on stand made in 1762 is shaped like a pumpkin with a lid in the form of a human head. The features are supposed to be those of a Chinese man, but the face is very European. With eyebrows quizzically raised, it looks like a portrait observed from life, possibly with an intended allusion. Human hands, jutting forth from under a drape on the sides, are clasped over the breast of a chimera that serves as a spout. The complication is extreme, and it doesn't stop there. Nothing like this survives in French court silver, much of which was melted down. It may never be possible to determine for sure whether there was any Portuguese input in the strange creations of French goldsmiths for Portugal.

But Part Three of the exhibition, which deals with the Baroque mood in church art, would incline one to think so. Gold is the dominant color in the last room. Foreign commissions and Portuguese works are again mixed. In the center, a monumental silver torcheire resting on a gilded bronze pedestal was made by Giuseppe Gagliardi between 1744 and 1749. Covered from top to bottom with human figures, scrollwork and formalized foliage, it somehow retains an architectural balance under its exuberance.

A few yards away, another monumental sculpture displays, on the contrary, the disproportion that is a recurring feature in Portuguese Baroque. With one knee on the ground and the other bent, a winged angel holds up on his raised arm an enormous silver globe. It weighs more than 400 pounds (180 kilograms) according to the catalogue. A sunburst radiates from the globe, designed as a memento, a receptacle for holding the Mass on celebrating Mass. A bejeweled circular plaque in the middle adds a final touch of delicious magnificence to the object. Few West European works of art are quite as strange as this

unsigned piece, executed between 1750 and 1770.

Elsewhere, a giltwood gate from the Chapel of Our Lady of Solitude (Nossa Senhora da S-idade) in the church of São Francisco in Oporto reveals a curious kinship with sculpture, despite the purely abstract nature of its openwork scrollwork. The scrolls are disproportionately thick, the contours slightly excessive, and the detail is relentlessly chiseled.

It all culminates at the end of the room, designed like an apsis, with the reterdos and canopy from the church of São Francisco in Evora. Recessed round arches almost disappear under an abundance of scrolling ornament and foliage. The canopy, added around 1775, about half a century after the reterdos was carved, betrays an unexpected source of inspiration that has remained so far unnoticed.

THE sinuous arch with a cusp at the top, surmounting a recessed rounded arch, is borrowed from the mosque architecture of Islamic India. This in turn harks back to models from the distant Buddhist past. With its oval sunburst covering the wall of the central niche, and the extravagant rococo tracery perched over the canopy of Indian inspiration, the reterdos stands apart from the rest of the West European Baroque.

Jay A. Levenson, the guest curator who put this exhibition together in collaboration with the National Gallery designers Gaillard F. Ravenel and Mark Leithauser, says their intention was to provide a scaled-down version of the 1991 show of Portuguese Baroque art in Brussels. They wanted to tailor it to the requirements of the U. S. public. The outcome is a masterpiece in art display, utterly different from what could be seen in Brussels. Regrettably, it will not travel elsewhere. Remounted as is, anywhere in Europe, it would cause a sensation.



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PRE-COLOMBIAN ART

SPECTRAL ANALYSIS By Peter Gordon

- ACROSS
- 1 Site of the Shapshone Peninsula
- 5 "Closer to Fine" singers
- 11 Capital near Lake Tuz
- 17 MasterCard rival
- 19 Petrarch works
- 21 Took it easy
- 22 Swami routine of the old "Tonight Show"
- 23 Intermittent
- 24 Some are French-cut
- 25 "The African Queen" scriptwriter
- 26 Bud, eventually
- 28 River to the Caspian
- 30 Polish writer Stanislaw
- 31 1961 Pulitzer-winning author
- 32 Orson's planet in '70's TV
- 33 TV show about agents Robinson and Scott
- 35 Makes, as a living
- 39 Horned vipers
- 41 Average grade
- 42 Fischer Young and naturals
- 43 Explains
- 44 Judo level
- 45 Grill
- 47 Lose control on the road
- 49 Sra., across the Pyrenees
- 50 Apsara-filled mist
- 51 Trinkets
- 55 Nightrime's start, in poetry
- 56 Verdi opera
- 58 "Bird" — "Wire"
- 59 Salon works
- 60 Name of 16 popes
- 62 Nora Helmer's creator
- 66 1968-75 Norris trophy winner
- 67 Dept. of the Treasury div.
- 68 Luke was his disciple
- 69 Make a big effort
- 70 Table linen, often
- 72 After-shower scene
- 75 Doctor
- 76 Toxic defoliant
- 77 Lover of Aphrodite
- 78 Flight board abbr.
- 79 Edison, e.g. Abbr.
- 80 Tazoozan coins
- 81 Coquette
- 84 Actress Zadora
- 85 Kind of ball or card
- 86 Basketball play
- 88 Cell stuff
- 89 Lures into wrongdoing
- 91 "I hear you," to a CB operator
- 94 Fermented
- 95 Years and years
- 97 Josh
- 98 Coach
- 99 It's shocking!
- 100 Poirre's partner
- 101 MMV + V
- 103 Shoe coverer
- 107 Most colored by the sun
- 109 Tad
- 110 — Tin Tin
- 111 Louisville Slugger material
- 112 Douglas, for example
- 113 Sale place
- 115 Mao successor
- 116 Hugh Hefner prop
- 117 Negatively charged atoms
- 120 Where to see 72-Across
- 123 1984 Snesel/Kline flick
- 125 Algiers' old quarter
- 126 Run-scoring bent
- 127 Vonnegut's "The — of Titan"
- 128 Name of two English kings
- 129 Made an MRI picture
- 130 Letter opener?

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- DOWN
- 1 It might have the heading "Vacuum-Van"
- 2 Silkwood portrayer
- 3 — kline Nachtmusik
- 4 Doogie Howser's org.
- 5 They prey on small mammals
- 6 Boo-boo
- 7 B & B
- 8 Hoop, workers
- 9 Pantes
- 10 Floor
- 11 "Let's Stay Together" singer
- 12 They always have titles
- 13 Some MOMA paintings
- 14 Dessert option
- 15 Stinky's buddy
- 16 Commercial
- 17 Central Florida city
- 18 Novel that features the language "Nadsat"
- 19 Health club
- 20 Before, to Byron
- 29 Stahl of "60 Minutes"
- 33 More frigid
- 34 Actor in "The Mafese Falcon" and "Casablanca"
- 36 Hull attachment
- 37 Old Mideast init.
- 38 Explosive stuff
- 40 Wilt
- 43 Kind of lamp
- 46 Crud
- 48 College party essential
- 49 Song also recorded as "Harlem Footwarmers"
- 50 Army attack helicopter
- 51 — gold
- 52 Incense
- 53 Soldiers
- 54 Draft org.
- 57 Intellectuals
- 58 Self-effacing people
- 63 Glass ingredient
- 64 Tie
- 65 Anxiety
- 69 Self-effacing people
- 71 Luscious
- 72 Bridge situation
- 73 Caraco ingredient
- 74 Less brave
- 78 Inmate
- 81 Allegiance
- 82 — Gay
- 83 Kuratowa's "King Lear"
- 87 Greek letters
- 90 Rural res.
- 91 Socks, e.g.
- 92 — pro nobis
- 93 Perch, for example
- 96 Fastened with threads?
- 99 Springy
- 100 It explodes when wet
- 102 Racker
- 104 Sock sorter
- 105 Flustering trees
- 106 Despondency
- 108 Tansu's daughter
- 109 Kirkuk native
- 114 "— magat" (suzgrams, appropriately)
- 115 Nap
- 116 — muted
- 117 King's superior
- 118 Actor
- 119 Bit
- 121 Teachers' org.
- 122 Position
- 124 Family girl

Solution to Puzzle of Nov. 13-14

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ANC Vows Force To Get Homelands Back Into Country

JOHANNESBURG — The African National Congress said Friday that it would use force if the black homelands created under apartheid resisted rejoining South Africa.

A draft constitution adopted Thursday calls for the reincorporation of the 10 tribal areas created under a plan to deny blacks the right to live in South Africa. Some homeland leaders have said they would resist any attempt to strip them of their power bases.

Matthew Phosa, the top legal affairs official of the ANC, said Friday that the organization would not allow the constitutional process to be undermined.

"If the only option left to us is to roll in the tanks," Mr. Phosa said, "then that is what we would do."

The leaders of 3 of South Africa's 10 homelands — Ciskei, Kwa-Zulu and Bophuthatswana — were among conservative, anti-ANC blacks who refused to endorse the interim constitution.

Ciskei and Bophuthatswana are nominally independent and have said they are not obliged to implement the interim constitution or associated agreements reached at multiparty talks.

The ANC has said reincorporation of Ciskei and Bophuthatswana, both of which are dependent on South African financial aid, is not negotiable.

Officials from the ANC and the allied South African Communist Party spoke in Johannesburg as the ANC president, Nelson Mandela, continued a campaign swing in the northeast.

Joe Slovo, the Communist Party chairman, criticized conservative black and white opponents of the constitution for their implicit threats to use force "if they don't get their way."

"If it comes to that and they continue to threaten to spill blood," he said, "it is the duty of the government to meet that threat with resolve."

The Freedom Alliance of black and white conservatives boycotted the constitutional talks. There are fears its members will disrupt the election.

President Frederik W. de Klerk said Friday that he was trying to persuade the alliance to support the charter and participate in a peaceful transition.

"My message is there's still a door open," he said during a visit to Cape Town. He was to meet with members of the alliance later Friday in the capital, Pretoria.

South Africa's white right, which is holding talks on an Afrikaner homeland with the ANC, called Friday for a whites-only general election to prove who had the right to rule.

The Afrikaner People's Front accused Mr. de Klerk of selling out whites by agreeing to the interim constitution.

"It is clear that the president has

NIGERIA: Military Coup Brings Prospect of Economic Chaos and Renewed Ethnic Conflict

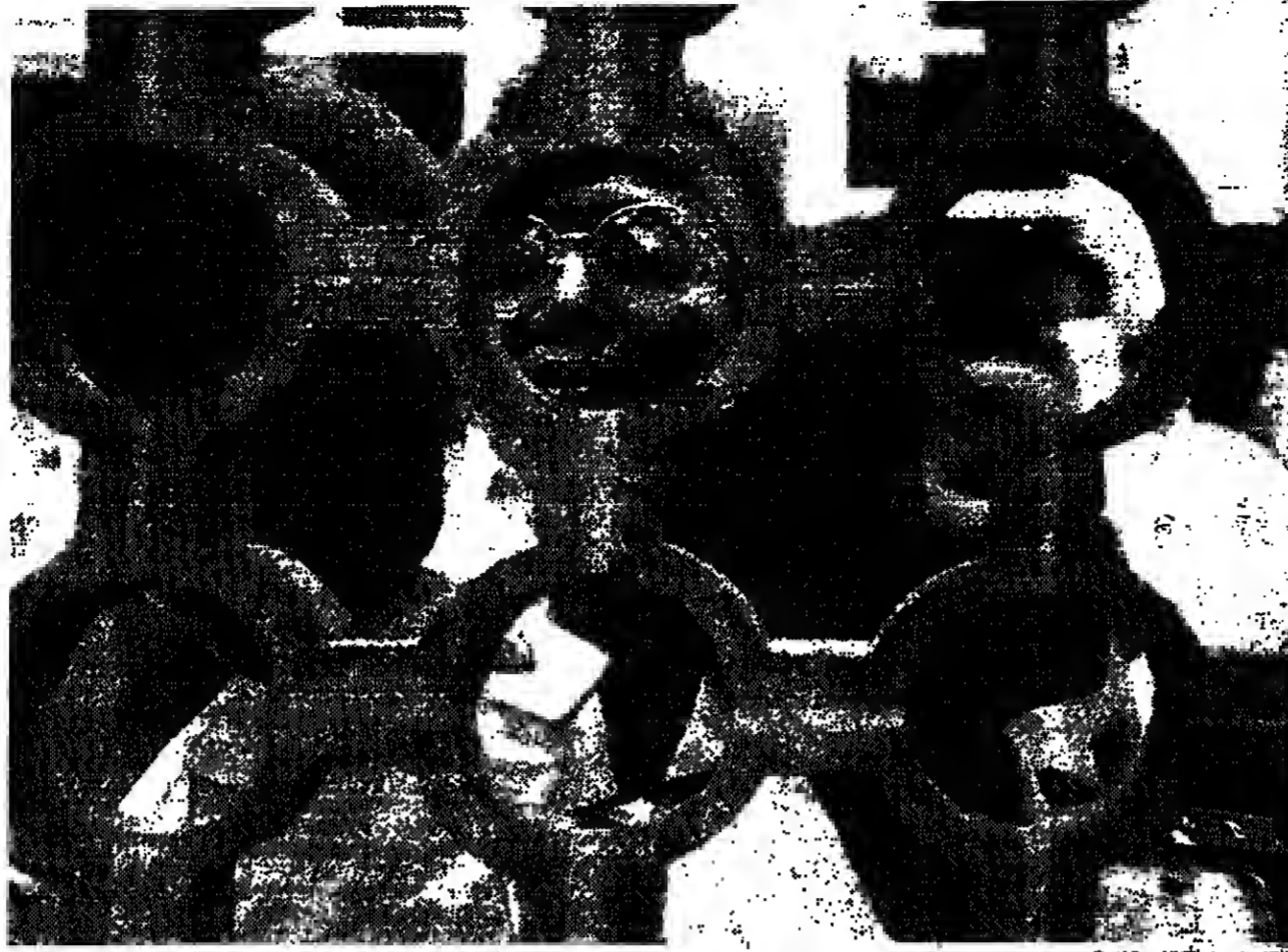
Continued from Page 1

is generally thought to have won the June elections, is a Yoruba from the south, though he, too, is a Muslim. The interim leader, Mr. Shonekan, who never achieved a popular base of support, is also a Yoruba.

As a result, Yorubas concentrated around the economic and political center of Lagos, are beginning to "chafe under the northern yoke," as one Nigerian put it. He said that people in Abokuta, the center of Yoruba culture, "are wondering why northerners always outmaneuver southerners."

The third major section of the country, which produces the oil that brings in 93 percent of export earnings, is the east, where Ibos predominate. They have not assumed a major role in national life since losing the civil war.

Most of the strikes and protests against the annulment of the elections occurred in the southwest. The protests were given a lift last week when a court in Lagos ruled that General Babangida had no power to install an interim govern-



Three nurses at a hospital in Durban trying to catch a glimpse Friday of Nelson Mandela, who was campaigning for April elections.

ment and that the government was thus illegal.

On Friday, police clashed with anti-government demonstrators in three southwestern cities, Abokuta, Kuru and Ilorin. Lagos was quiet Friday but it was hardly normal. Banks, major shops and factories remained closed, as they have been since demonstrations last week.

Those demonstrations were caused by an announcement of a sixfold increase in the price of fuel. The increase was part of a spate of economic reforms undertaken by the interim government of Mr. Shonekan under the prodding of the World Bank and the IMF.

Up until the increase, government subsidies to fuel were so great that gasoline sold for 70 kobo a liter, or about 12 cents a gallon. Because of price differences with surrounding countries, where it sold between \$4 and \$5 a gallon, smuggling was rife. Much of it involved the military.

A single truckload of oil sold across the border could bring in an estimated profit of \$100,000. The government also got more than 100 "special allocations" contracts to allow individuals to legally remove oil directly from government refineries.

If General Abacha rolls back the fuel increase in a bid for instant popularity that would be regarded by most diplomats and economists as a sign that he had no intention of carrying on with the reform program.

Despite the lifeblood of oil, Nigeria's economy is in trouble. The country owes foreign debts amounting to about \$30 billion and arrears on its debts amounts to about \$5 billion.

Both U.S. and British governments strongly condemned General Abacha's seizure of power.

Leaders of Nigerian civil rights and pro-democracy groups attacked it. A statement from the Civil Liberties Organization called on Nigerians to reject "a power-coupled military bent on farming free citizens to slaves in their own country."

MAFIA: In a Courtroom, a Showdown Between a Boss and His Accuser

Continued from Page 1

not reply. To the end, thus, the boss kept the mobster's vow of silence and the informer talked.

The encounter did not last more than an hour, but it encompassed more than a decade of atrocity and investigation that saw the Mafia, under Mr. Riina, reach a zenith of brazen challenge to the state and the bloody beginnings of an effort to break its power.

Mr. Buscetta has been a star witness in Mafia trials since 1984, when he turned informer after his arrest in Brazil one year earlier. His testimony led investigators to identify the "capo" ("boss") of bosses that ran the Cosa Nostra.

The huge Mafia trials of the 1980s, during which more than 300 mobsters went to prison, were based in part on his disclosures, drawn largely from an era in the early 1980s when Mr. Riina's Cor-

leonesi clan battled its way to dominance in the Sicilian mob. Mr. Buscetta was one of the losers.

As an informer, Mr. Buscetta's principle interlocutor was Giovanni Falcone, Italy's top Mafia-buster. The mob killed Mr. Buscetta's family to vent their rage, and, last year, killed Judge Falcone, his wife and three bodyguards to exact its vengeance for his crusade against them.

Nonetheless, Mr. Buscetta's example — and the creation of witness protection programs in Italy — has led many other mobsters to inform, so that this year the authorities have arrested many high-ranking mafiosi.

Only a week ago, Sicilian investigators finally identified the judge's killers. Mr. Riina ordered the assassination, they said, and his most trusted henchmen carried it out.

Mr. Buscetta is thought to spend his time in the United States and Italy. His physical appearance is a closely guarded secret because he is believed to have undergone plastic surgery to change his looks.

Mr. Riina has already been sentenced in his absence during his years as a fugitive to two life sentences for murder. He is implicated in several other trials and 50, perhaps, divides his time between Palermo's Ucciardone prison and the heavily fortified Rebibbia courthouse on the outskirts of Rome where the hearings were held Friday.

Nicknamed "the Beast," Mr. Riina is short and squat. Since his capture in January, he has denied everything he has been accused of from the law for 23 years. He says that, for 23 years, he was "only a worker."

That is not how Mr. Buscetta portrayed him.

"He killed with his own revolver," Mr. Buscetta said.

Mr. Riina, invited to comment, said, "No comment."

"Who did not turn to him when they wanted a homicide? You think my sons were killed and he did not know?" Mr. Buscetta said. "He decided all the homicides. You do not know what kind of man you have in front of you."

Was Mr. Riina the head of the Cosa Nostra in 1982, Judge Giacobino Agnello asked Mr. Buscetta "yes or no?" "Yes," came the reply.

How had he risen to the leadership? By killing other bosses, said Mr. Buscetta.

Did Mr. Riina wish to reply? said the judge. "I wish myself of the right not to respond," Mr. Riina said.

Israel-Syria Accord Is Reported Close

Compiled by Our Staff From Dispatches

JERUSALEM — An Israeli newspaper reported Friday that Israel and Syria were "very close" to a declaration of principles for a peace accord between them.

The daily Ha'aretz, quoting sources in Jerusalem, said that under the agreement Israel would recognize Syria's sovereignty over the Golan Heights in return for a declaration that Damascus was ready for formal relations.

It added that the U.S. secretary of state, Warren M. Christopher, would present a formula on the mutual declarations during his visit next month to the region. He would also propose deploying U.S. and other forces on the heights.

If the sides agreed to his proposal, Mr. Christopher would then announce the resumption of the Washington peace talks.

Syria denied the report, saying "balloons of misinformation" were coming from Jerusalem. Israeli officials declined to comment.

In another development, Yasser Arafat, chairman of the Palestine Liberation Organization, will make his first visit to Germany, Bonn said Friday.

Mr. Arafat's visit on Dec. 7 and 8 has been made possible by his reconciliation with Israel. Germany had been distant from the PLO because of moral obligations it has felt to Israel as a result of Nazism.

The PLO leader will meet with Chancellor Helmut Kohl and Foreign Minister Klaus Kinkel. (Reuters, AP)

Israel Archaeology On Disputed Quest

By Clyde Haberman
New York Times Service

JERUSALEM — Racing against a deadline of imminent Palestinian self-rule, Israeli archaeologists say that teams sweeping through the desert have discovered manuscript fragments and other second-century artifacts in cliffs overlooking the West Bank city of Jericho.

The finds were not what the research teams had set their sights on: previously unknown religious writings comparable to the Dead Sea Scrolls that were found in the same general area four decades ago and that became one of the archaeological sensations of the century.

Still, Israeli officials said Thursday that the latest discovery was important and justified their disputed search for ancient artifacts in and around a part of the West Bank where Palestinian self-rule and withdrawal of Israeli forces is supposed to begin in less than a month.

The Israeli Antiquities Authority insists that the hunt, begun Sunday, had been planned for several years and only happened to be taking place now. Moreover, the material they are looking for forms the core of Jewish heritage, they say, and therefore should be held by the Jewish state.

But Palestinian archaeologists and political figures have accused the Israelis of last-minute plundering in an area that is to fall under their control soon, and they insist that anything found there belongs to them.

In an attempt to ease the criticism, the Antiquities Authority invited Palestinian researchers to join the search earlier this week, but it was refused. Some Israeli scholars have also denounced the desert operation by more than 30 archaeologists and 300 workers, calling it a violation of international law and a slap in the face of Palestinian colleagues with whom they hope to work in the future.

"Can't we leave anything for Palestinian archaeologists in the future?" said Aharon Kempinski, a Hebrew University professor and head of the Israel Archaeologists Association.

The issue of what happens to archaeological finds in the West Bank and Gaza Strip is not specifically mentioned in the "declaration of principles," signed on Sept. 13 by Israel and the Palestine Liberation Organization.

For negotiators on details of the agreement, archaeology clearly lacks the urgency of matters such as prisoner releases and security guarantees. But it is expected to surface as one point, and Palestinians cite as a precedent Israel's return of artifacts that were found in Sinai before it went back to Egypt under the 1979 peace treaty.

The discoveries in the West Bank were made at Wadi Qarantal, overlooking Jericho. They were said to consist of coins and about a dozen manuscript fragments written on papyrus and dating from the time of the failed Jewish revolt against Rome from A.D. 132 to 135, under Bar Kochba.

The fragments, written in Aramaic and Greek, were described by Yehonatan Shalek, an Israeli archaeologist, as "economic" documents dealing with money, and not religious manuscripts similar to the original Dead Sea Scrolls. They were probably hidden in caves outside Jericho by Jews fleeing Roman soldiers, officials said.

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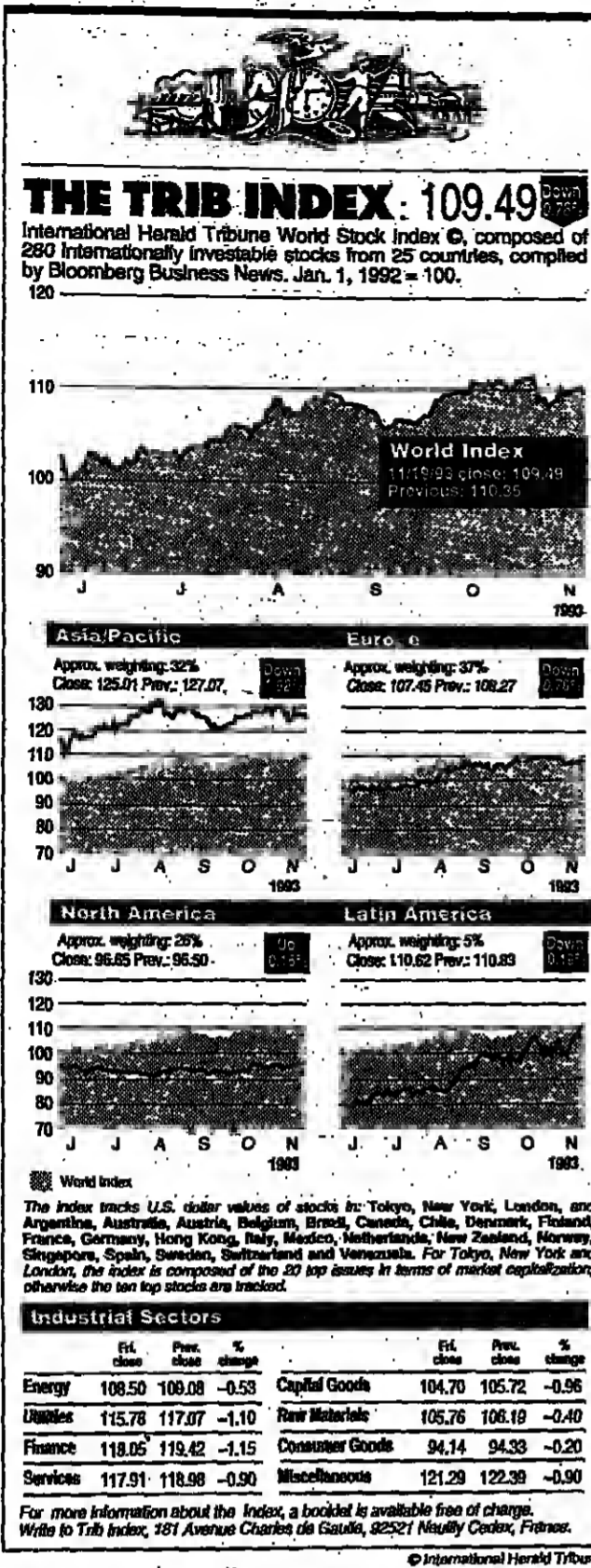
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Tiphook To Sell Container Division

NEW YORK — Tiphook PLC, the troubled British ship container company, said Friday it had agreed to sell its ship container division to Transamerica Corp. for \$230 million (\$1.3 billion).

The sale would split Transamerica into a virtual tie with General Electric Co.'s Genstar division as the world's largest ship container company.

It also would leave Tiphook a far smaller transport company, dependent on rail car and truck trailer operations that had losses last year. Tiphook also would still be saddled with heavy debt.

"The sale, if it goes ahead, rips the heart out of the company," said Andrew Burke, an analyst with William de Broer in London.

Tiphook, whose ship container fleet is second only to GE's, would still have debt of \$300 million. Its three series of publicly traded bonds in the United States, which total \$700 million, cannot be called by the company until they mature.

But investors appeared to shrug off such concerns, as news of the transaction sent Tiphook's stocks and bonds soaring.

In New York trading, Tiphook American depositary receipts soared \$1.25 to close at \$2.875. Its bonds surged as well, with 7 1/2 percent bonds due in 1998 trading at about \$80 per \$1,000 bond, up from \$60 on Thursday.

As Tiphook's financial problems grew in recent weeks, the company's stock tumbled 36 percent and its bonds dropped 40 percent. Its troubles worsened when it paid high prices for ship containers as the European market declined, and when it expected to report a loss for the six months to Oct. 31.

Transamerica, the San Francisco finance company with revenue of \$3 billion in 1992, will pay \$71 million in cash for the division and assume up to \$119 million in debt. Both companies said the transaction was complete.

See CONTAINER, Page 11

Casting the EC Currency New Institute's Role Looms Ever Larger

By Brandon Mitchener
International Herald Tribune

FRANKFURT — The European Monetary Institute, the forerunner of a European central bank that is scheduled to begin operations Jan. 1, may become far more important than is currently expected, French, German and British officials said Friday.

When it came to describing what the institute should do, however, the officials disagreed on several key points. French Economics Minister Edmond Alphandery said he envisaged a powerful entity with "growing central authority," but central bankers from Germany and Britain expressed reservations.

"The second stage of European monetary union may yet assume greater importance than originally foreseen," Hans Tietmeyer, president of the Deutsche Bundesbank, said at a banking convention here. The unforeseen freedom of movement among European currencies brought about by repeated crises "may give a new quality to the cooperation among central banks in the context of the EMI," he said.

Before the institute can harmonize "the instruments and aggregates" of European monetary policy, however, "it's necessary to have fundamental debate on the concepts" of monetary policy, he said. The central bank of Germany currently tracks a long-term indicator, while British authorities use a short-term one, he noted.

Eddie George, governor of the Bank of England, in turn warned that the institute "would be extremely unwise in trying to force everybody into a common mode." The economic convergence that is the prerequisite for monetary union this decade will largely emerge on its own, if at all, he said.

The institute will not officially conduct a monetary policy of its own but will be responsible for making sure Europe's economies converge before their currencies merge. The Maastricht treaty on European economic and political integration foresees a common currency by 1997 at the earliest and 1999 at the latest.

Britain and Italy suspended their currencies from participation in the exchange-rate mechanism of the European Monetary System in September 1992, and the bands within which currencies may fluctuate were widened to 15 percent either side of a central rate in July of this year.

Mr. Alphandery's comments echoed a statement last week by Alexandre Lamfalussy, the institute's designated president, who told the European Parliament that the institute could reach its ambitious goal only if it acted like a central bank before the change took place.

The institute "can and will play the part not only of an honest broker between the national side," said Mr. Tietmeyer.

See BANKERS, Page 10

U.S. Cites Asia As Trade Deficit Widens Again

WASHINGTON — The U.S. deficit widened in September, largely because imports from Japan and China outpaced sales of American goods to those countries, the government said Friday.

Treasury Secretary Lloyd Bentsen, reacting to the figures, said that China had been "quite restrictive" on imports even though its economy had been "exploding" with growth.

Mr. Bentsen said President Bill Clinton would press leaders of Japan and China to take action to reduce their trade surpluses with the United States during talks this weekend at the Asia-Pacific Economic Cooperation forum in Seattle. Mr. Bentsen also said he expected to go to China early next year.

The overall U.S. trade deficit grew 8.6 percent in September, to \$10.89 billion, the biggest deficit in three months, from a revised \$10.05 billion in August, the Commerce Department reported. The deficit with Japan grew to \$3.32 billion from \$3.26 billion, and the deficit with China widened to \$2.51 billion from \$2.43 billion.

Mr. Clinton will urge Japan to spur its weak economy so that Japanese consumers can buy more U.S. goods. Japanese leaders are expected to say they are considering a tax cut to put more money in the pockets of consumers. (Page 13)

For the first time in 30 months, the United States also had a trade deficit with Mexico in September, the report said.

The deficit of \$101.1 million, followed a \$110 million trade surplus with Mexico in August and was the first U.S. deficit with Mexico since March 1991.

The appearance of a deficit with Mexico will not prevent the administration from pushing the North American Free Trade Agreement through the Senate, Mr. Bentsen said. Opponents of the agreement, which passed what had been considered its most difficult legislative test, in the House of Representatives, on Wednesday might say that eliminating trade barriers between the United States and Mexico would allow Mexican goods to flood U.S. markets.

"Exports have not taken off yet," Steve Cooney, director of international investment and finance for the National Association of Manufacturers, said in commenting on the overall U.S. trade performance.

One reason is the sluggishness of economies in Japan and Europe. Consumers in those nations are buying fewer U.S. products because of hard times at home, while Americans are becoming able to buy more imported goods.

Commerce Secretary Ronald H. Brown said the United States had bought a record amount of goods from China in September, and that imports from Japan in the month were the second-highest ever.

"In fact, our imports from the Asian-Pacific countries whose leaders are gathered in Seattle constitute slightly over 60 percent of all our imports," Mr. Brown said.

For the first nine months of 1993, the U.S. trade deficit came to \$88 billion.

"I think this year's trade deficit will be lucky to get below \$120 billion," Mr. Cooney said.

(Reuters, AFP) (UPI, Bloomberg, Knight-Ridder)

GATT Partners Worry About NAFTA

Geneva — President Bill Clinton made no deals with U.S. lawmakers to help win a congressional NAFTA vote that would underwrite the GATT world trade talks, a senior U.S. trade negotiator said Friday.

But European Community and Indian envoys said they feared that a reported shift in Washington's stance over textiles, aimed at appeasing a bloc of congressmen in the run-up to Wednesday night's NAFTA vote, could be troublesome for the global trade negotiations.

Some countries were concerned that Mr. Clinton had made costly concessions to secure his victory for the North American Free Trade Agreement in the House of Representatives.

They raised their own promises by the president to raise open markets to imports could disrupt the trade talks under the Geneva-based General Agreement on Tariffs and Trade.

Asked if those worries were founded, John Schmidt, chief U.S. negotiator for the Uruguay Round, said "No."

The U.S. negotiator said Mr. Clinton had been careful to avoid cutting any NAFTA deals that could tie his hands at the GATT talks, which aim to lower barriers to trade in areas ranging from agriculture to financial services.

"There's absolutely nothing that was agreed to that has any significant effect on our negotiating flexibility," Mr. Schmidt said.

But India's ambassador to GATT, Balkrishna Zutshi, said reports that Washington would support a more gradual tearing down of barriers to textiles trade were "a worrying development from our point of view."

Meanwhile, U.S. and EC negotiators met privately to iron out key differences amid a sudden surge of public optimism that, because of the approval of the NAFTA accord, the world trade talks will be concluded by Dec. 15.

Friday's meeting was seen as vital to preparing the ground for a meeting to be held in Washington on Monday between the U.S. trade representative, Mickey Kantor, and the EC trade commissioner, Sir Leon Brittan.

The chief EC negotiator at the meeting Friday, Hugo Paeman, said the Community had made some proposals to break the deadlock over the so-called Blair House agreement, which has been rejected by France.

But in Seattle on Friday, the U.S. secretary of state, Warren Christopher, said the Clinton administration would not renegotiate the accord, which restricts subsidies for, and the production of, cereals in the Community.

ECONOMIC SCENE

Trade: It's Not Like Football

By Peter Passell
New York Times Service

NEW YORK — Where you stand on the free-trade agreement, President Bill Clinton told America, is all about hope and fear — hope that U.S. industry can compete in world markets, fear that it can't.

That struck many as good political oratory, perhaps good enough to tip the balance on the vote. What red-blooded member of Congress, after all, would suggest that Americans couldn't play in the big leagues?

But the idea of trade as the moral equivalent of football makes most economists uncomfortable. And it is downright disturbing to Paul Krugman of the Massachusetts Institute of Technology, whose own research, he acknowledges, has provided an intellectual rationale for those who portray international commerce as a competition in which "their" gain is "our" loss.

"People who really know economics have lost control of the educated discourse," he glumly concludes.

The core belief of free-market economics is that competition transforms selfish behavior into the common good.

But competition between economies with different currencies has no real meaning.

Toyota, for example, may or may not make sturdier, more reliable cars in Japan than Renault makes in France. And at current exchange rates, Toyota may or may not be able to sell cars profitably in France for fewer francs than Renault can.

But in the end, French exports must equal French imports, unless foreigners are willing to hold French IOUs indefinitely.

That is not quite the whole story. If an economy is lucky enough to specialize in exports that the world particularly values, the foreign currency it earns will buy more imports.

And if, for example, there is room in the world market for only one low-cost producer of computer microprocessors, being first in the market with a decent product may generate a financial windfall that will not be blown away by competition.

Still, Mr. Krugman calculates that changes in America's terms of trade — how much its export earnings will buy abroad — have accounted for a trivial percentage of the change in U.S. living standards over the last half-century.

If there is an intuitive truth to the populist suspicion about trade, it must be that the burdens are most often borne by people who are least able to handle them — unskilled workers.

The catch once more, though, is that the evidence does not support the self-evident truth. Lawrence Katz, the Labor Department's senior economist, estimates that competition with the South Koreans and Taiwanese of the world accounts for just one-tenth of the change in the difference between the wages of America's skilled and unskilled workers in the 1980s.

If competition is virtually irrelevant to trade issues, why haven't economists who know better said so? "We used the word to get people's blood up," fudging the meaning in the name of advancing socially redeeming causes, Mr. Krugman said.

Van Doorn Ooms, the research director of the Committee for Economic Development, agrees. "I've used competitiveness as a synonym for productivity growth," said Mr. Ooms, who like many other economists says that Americans save too little and invest too little in human skills.

Mr. Krugman is more cautious. "To win a competition, America must, by definition, beat someone. The obsession has led to trade conflict," he says.

Fiat Issues Get Mediocre Reception

MILAN — A pair of capital-raising exercises by Fiat SpA had mediocre results, the automaker and stock dealers said Friday.

Underwriters had to absorb the majority of the Rinascente SPA shares the automaker was trying to sell to its shareholders, Fiat said. At the same time, some holders, notably foreign investors, turned down the chance to buy more Fiat shares in a rights issue, dealers said.

Fiat announced in September that it would sell its entire stake in the Rinascente department store chain to its shareholders. Its four Rinascente shares for every 100 Fiat shares held.

But Fiat announced Friday that its shareholders had taken up only 40 percent of the Rinascente shares offered. Of the 91.54 million shares, 36.87 million were taken by holders, with the rest bought by the underwriters led by Mediobanca.

Fiat was offering its 5% premium holding in the retailer at 9,500 lire (\$2.68) a share.

Sopranos, dealers said a Fiat rights issue that ended Tuesday had been only 90 to 95 percent taken up. Fiat has not released results of the rights issue, under which two additional ordinary, preference or savings shares were offered at 2,000 lire each for every three shares of each category already held.

(Reuters, AFP)

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CURRENCY & INTEREST RATES

Cross Rates									
	\$	DM	F.P.	Lira	Y.P.	S.P.	Yen	CS	Peru
Amersterdam	1.925	2.801	1.274	0.022	0.714	5.28	1.228	1.668	1.291
Bremen	3.30	3.245	2.18	0.020	0.714	5.28	1.228	1.668	1.291
Frankfurt	1.735	2.29	1.020	0.020	0.714	5.28	1.228	1.668	1.291
London (C)	1.625	2.254	1.020	0.020	0.714	5.28	1.228	1.668	1.291
Madrid	1.625	2.254	1.020	0.020	0.714	5.28	1.228	1.668	1.291
New York (C)	1.000	1.493	0.714	0.020	0.714	5.28	1.228	1.668	1.291
Paris	5.28	6.74	3.12	0.020	0.714	5.28	1.228	1.668	1.291
Toronto	1.000	1.493	0.714	0.020	0.714	5.28	1.228	1.668	1.291
Zurich	1.000	1.493	0.714	0.020	0.714	5.28	1.228	1.668	1.291
1 ECU	1.228	1.668	0.714	0.020	0.714	5.28	1.228	1.668	1.291
1993	1.228	1.668	0.714	0.020	0.714	5.28	1.228	1.668	1.291

Eurocurrency Deposits									
	Dollar	D-Mark	French	Swiss	Yen	ECU			
1 month	3-3/4%	4-1/4%	4-1/4%	5-1/4%	4-1/4%	4-1/4%			
3 months	3-3/4%	4-1/4%	4-1/4%	5-1/4%	4-1/4%	4-1/4%			
6 months	3-3/4%	4-1/4%	4-1/4%	5-1/4%	4-1/4%	4-1/4%			
1 year	3-3/4%	4-1/4%	4-1/4%	5-1/4%	4-1/4%	4-1/4%			

Key Money Rates									
	3-month	6-month	9-month	12-month					
Call money	4.00	4.00	4.00	4.00					
3-month Euro	3.75	3.75	3.75	3.75					
6-month Euro	3.75	3.75	3.75	3.75					
9-month Euro	3.75	3.75	3.75	3.75					
12-month Euro	3.75	3.75	3.75	3.75					

MARKET DIARY

Blue-Chips Rally, Broad Market Falls

Compiled by Our Staff From Dispatches
NEW YORK — Heavy buying of blue-chip companies brought the Dow Jones industrial average into positive territory late Friday, but the broader market finished lower amid worries about interest rates.

Equities will recede. Low returns on interest-bearing investments have steered money into the stock market, helping it sustain a lengthy advance.

But with signs of economic growth in the United States multiplying, bond investors have become nervous. Stronger growth raises the risk of inflation, which erodes the value of fixed-income investments such as most bonds.

Any concern over inflation on the Federal Reserve's part had not shown up in the deliberations of the Fed's policy-making Open Market Committee by Sept. 21, according to minutes of that meeting released on Friday.

The industrial average rose 8.67 points to 3,694.01. But declining issues outnumbered advances by about a 3-to-1 ratio on the New York Stock Exchange. Volume totaled 300.9 million shares, compared with 310.4 million in the previous session.

Selling in the bond market set the course for stocks for much of the day. The price of the 30-year U.S. Treasury bond lost \$12.50 for each \$100 face amount, pushing its yield up to 6.34 percent.

Rising interest rates have caused concern among stock-market analysts that the flow of funds into

equities will recede. Low returns on interest-bearing investments have steered money into the stock market, helping it sustain a lengthy advance.

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equities will recede. Low returns on interest-bearing investments have steered money into the stock market, helping it sustain a lengthy advance.

Against other currencies, the dollar rose to close at 5.9415 French francs from 5.9325 and to 1.5049 Swiss francs from 1.5042.

The pound softened to \$1.4735 from \$1.4765.

People like the U.S. what it gets and what it wants — free trade and economic stimulus in Japan, said David De Rosa, a foreign exchange trader at Swiss Bank Corp.

People like the U.S. more interested in spurring growth in Japan than talking up the value of the yen right now, said John Hardy, managing director at Interac Investments.

Dealers here and hedge funds

are looking to push the dollar up to test the key psychological level at 110 [yen], said a dealer at the Industrial Bank of Japan.

But Mr. Tiemeyer and Mr. George were more reserved. Regarding the institute's mandate to "facilitate" the use of the European currency unit, Mr. Alphas said that the function should be interpreted as a license to "promote" the unit, while Mr. Tiemeyer took a more narrow view and said that it should be a mandate merely to "liberalize" its use.

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The Dow Jones Industrial Average

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Table titled 'Dow Jones Averages' showing various market indices and their values.

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P&G Buys Into Russia Detergent Plant
CINCINNATI (Combined Dispatches) — Procter & Gamble Co. said Friday it was buying a 14 percent interest in PO Novomoskovsk, Russia's largest detergent plant, which is hoped to expand to a majority stake.

AT&T to Boost Prices on Some Calls
NEW YORK (AFX) — American Telephone & Telegraph Co. said Friday it would increase prices on certain domestic and international long-distance phone calls, which will produce a net annual benefit of about \$336 million.

Jordan Tees Up Own Golf Company
CHICAGO (UPI) — Michael Jordan, the retired NBA superstar, was to unveil plans Friday to create a nationwide chain of family-oriented Michael Jordan Golf Center recreation facilities.

Hewlett-Packard Plans Big Buyback
PALO ALTO, California (UPI) — Hewlett-Packard Co.'s board authorized Friday spending \$500 million for open-market repurchase of the company's stock, after the computer-maker posted sharply improved earnings this week.

Saatchi Loses Helene Curtis Account
NEW YORK (AP) — Saatchi & Saatchi Advertising Worldwide and Helene Curtis Industries Inc. said Friday they were splitting up after 10 years, putting \$80 million in advertising for four personal-care products up for grabs.

For the Record
Nynex Corp., the regional telecommunications giant, completed its \$1.2 billion investment Friday in Viacom Inc., which is trying to acquire Paramount Communications Inc. for \$9.7 billion.

WORLD STOCK MARKETS

Table titled 'WORLD STOCK MARKETS' showing various market indices and their values across different regions.

BANKERS: New EC Institute Seen Playing Key Role

Continued from Page 9
central banks but also that of a provider of ideas and initiatives," he said at his confirmation hearing.

But Mr. Tiemeyer and Mr. George were more reserved. Regarding the institute's mandate to "facilitate" the use of the European currency unit, Mr. Alphas said that the function should be interpreted as a license to "promote" the unit, while Mr. Tiemeyer took a more narrow view and said that it should be a mandate merely to "liberalize" its use.

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U.S. FUTURES

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U.S./AT THE CLOSE

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Balladur Reportedly Assures Stockholm On Renault Sell-Off

Compiled by Our Staff From Dispatches
PARIS — Hoping to ease the fears of Volvo AB shareholders over a proposed merger with Renault SA, Prime Minister Edouard Balladur has reportedly assured the Swedish government that France will rapidly privatize the state-owned automaker.

The merger would create Europe's third-largest automaker, after Volkswagen AG and General Motors Corp.'s European operations.

Under the agreement, the French state would initially have a 65 percent interest in Renault-Volvo, compared with 35 percent for Volvo. After Renault is privatized, plans call for Renault and Volvo to have equal stakes in the merged company.

The accord, to be voted on by Volvo shareholders Dec. 7, allows the French state to retain a "golden share," or special voice in the company's affairs, after the merger to prevent unwelcome investors from building up large stakes.

A source close to the merger discussions said Mr. Balladur had sent a letter to Sweden containing "clarifications" on the French government's stake in the merged company.

The letter promises to privatize Renault "as rapidly as possible," the source said.

Mr. Balladur's office said it would confirm only that a letter had been sent. In Stockholm, a spokesman for Prime Minister Carl Bildt declined to disclose the letter's contents.

Mr. Bildt, however, did say on Swedish radio that it was imperative for the French government to clarify its position on privatizing Renault and on the golden share.

Earlier, the Swedish government said it did not intend to intervene in the matter, saying it was an issue for Volvo shareholders to decide.

Volvo's chief executive, Soren Gyll, was quoted as saying, "It is our conviction that the transaction with Renault is industrially and commercially correct and should be implemented."

But a former president of Volvo, Hansson Frisinger, said that for the Swedish automaker, the merger represented an "unnecessary sell-out." (AP, Bloomberg, AFP)

Glitches Nag Paris Bourse

Delays Anger Traders and Shake Credibility

Bloomberg Business News
PARIS — Minutes before the Paris stock exchange closed Tuesday, an Oddo & Co. stockbroker was congratulating himself on completing a buy program for a client.

But suddenly a surge in orders swamped the exchange's computers and forced a half-hour extension in trading. When the market finally shut, the CAC-40 blue-chip index had slid almost 15 points, or 0.7 percent.

"It made me look really stupid," said the broker, John Clemens. "I missed a lot of cheaper stocks."

A series of such delays and disruptions to stock volume of orders created by three new stocks coming into the index and three leaving it.

François Marchall, head of international equity sales at Société Générale in Paris, said: "It's annoying. The whole of Europe is laughing at us."

Traders are grumbling that the frequent interruptions to business threaten the market's development just as it is poised to add several major new stocks through the government's privatization program.

The start of two new stock indices early next month, designed to spread investor interest across a wider range of stocks than those in the CAC-40, also could add to the volume and make solving the technical problems even more urgent.

The exchange's executive body, the Société des Bourses Françaises, has set up a 30-member task force to tackle the problems, and is pledging to resolve them by mid-December.

The computers of the Société des Bourses Françaises can routinely handle between 2.5 billion francs (\$423 million) and 3 billion francs of traded volume per day, and can have their capacity increased if trading exceeds that. On Tuesday, volume surged to 6.8 billion francs.

On Friday, the index closed at 2,143.19, down 6.48 points, after rising in the previous two sessions. Volume amounted about 3.5 billion francs.

The Paris Bourse is out alone in its problems. The London stock exchange was forced to abandon its Taurus system for paperless trading earlier this year because of technical problems and cost concerns.

INTERNATIONAL STOCKS

trading in recent weeks has left investors frustrated and the bourse's credibility in jeopardy.

Since mid-September, trading on the exchange has been interrupted by abnormally high trading volumes, which have overwhelmed the exchange's computer capacity for handling orders, and by breakdowns in satellite communications links. The interruptions usually have lasted from 15 to 30 minutes, and on a few occasions as long as an hour.

This week, trading was disrupted for short periods on Monday and Tuesday by communications problems, in addition to the half-hour delay in Tuesday's close caused by the surge in volume. On Wednesday morning, calculation of the CAC-40 blue-chip index started late, because of the heavy

Dutch Hint Air Talks Are Failing

Compiled by Our Staff From Dispatches

THE HAGUE — The planned merger of four European airlines into Europe's biggest carrier may not succeed, Prime Minister Ruud Lubbers said Friday.

"I am taking into account the possibility that it may fail," the prime minister said in an interview on Dutch television.

Dutch news media said that KLM Royal Dutch Airlines, Swissair, Scandinavian Airlines System and Austrian Airlines may break off their 10-month-long talks about a possible merger because of a dispute about the choice of a U.S. partner. News reports said Friday evening that KLM's board would vote at a meeting Saturday to withdraw from the project.

In another Dutch television interview, Economics Minister Kees van Dalen said, "It is, of course, a pity that it is finishing like this."

A KLM spokeswoman, Marijolein Weening, said the airline would not comment or provide details of the merger talks until a final decision had been made.

The proposed "Alcazar" airlines merger — a name that denotes a Spanish fortress with four towers — is aimed at achieving the economies of scale of the mid-sized airlines' larger rivals.

But the airlines involved have been unable to agree on whether to link up with KLM's U.S. partner, Northwest Airlines, or Swissair's ally, Delta Air Lines. Dutch news reports have said the other three carriers all favored an affiliation with Delta but that KLM was unwilling to surrender its ties with Northwest. (Reuters, Bloomberg)

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	137.20	137.50	-0.22
Brussels	Stock Index	7,111.15	7,141.82	-0.43
Frankfurt	DAX	2,077.57	2,085.34	-0.38
Frankfurt	FAZ	798.94	803.81	-0.61
Helsinki	HEX	1,555.88	1,572.92	-1.08
London	Financial Times 30	2,357.80	2,371.50	-0.59
London	FTSE 100	3,108.00	3,125.50	-0.56
Madrid	General Index	304.88	306.16	-0.42
Milan	MIB	1,201.00	1,209.00	-0.66
Paris	CAC 40	2,145.23	2,149.67	-0.21
Stockholm	Affarsvaernden	1,593.72	1,607.40	-0.42
Vienna	Stock Index	458.48	458.94	-0.10
Zurich	SBS	937.84	935.76	+0.20

Very briefly:

- Groupe Bull is setting up an 11-member executive board, including its new chairman, Jean-Marie Descarpentries, as part of a new management structure aimed at speeding the group's restructuring, which aims to end the computer concern's losses in 1994.
- AG Group SA may delay a rights issue because of a Belgian government decision to cut the withholding tax on dividends on new share issues to 13.4 percent from 25.75 percent; the change would mean the new shares would be treated differently from existing ones.
- Moldova and Armenia plan to abandon the ruble over the next two weeks and replace it with their own currencies, leaving Tajikistan as the only former Soviet republic still using pre-1993 Russian rubles — which are no longer accepted in Russia — as its only legal currency.
- Nissan Europe NV, a unit of Nissan Motor Co., said it had made a public offer for the 30 percent it doesn't already own in its Spanish subsidiary, Nissan Motor Iberica SA.
- Société Générale de Belgique's chief executive, Gerard Mestrallet, said the company was examining how to spend 30 billion Belgian francs (\$826.7 million) raised from selling part of the company's stake in Union Minière and its 42.6 percent stake in CBR Cimenteries SA.

California Wins Lego Park

Compiled by Our Staff From Dispatches
SAN DIEGO — Lego A/S, the Danish toy-maker, has selected a Southern California site to build a 40-acre, \$100 million theme park, deciding against putting the park in northern Virginia.

The deal, announced Friday, ended a regional competition that lasted for months. It will create a 16-hectare Lego Family Park in suburban Carlsbad, 35 miles (55 kilometers) north of San Diego.

The park needs approval from the Carlsbad City Council and a group of residents fearing disruption of their lifestyle say they seek to defeat the plan. If it is approved after a year-long review, the theme park would be Lego's first in the United States. The company has operated a 25-acre (10.1-hectare) Lego Family Park in Denmark since 1968, and is planning to open another in Windsor, England.

The California park, which Lego hopes can open by 1999, is to feature attractions from the plastic building blocks that are the company's main product. It is to be geared for the under-13 set, with none of the high-speed, thrill-and-chill rides or rock concerts common to other amusement parks.

Lego said it had chosen California because of the great number of young children there and the state's clement weather, which would allow the park to remain open all year.

Governor L. Douglas Wilder of Virginia attributed Lego's decision to Disney's announcement last week that Prince William County would be

CONTAINER: Tiphook Divests

Continued from Page 9
contingent on Transamerica's examination of Tiphook's assets and the negotiation of a final contract.

Transamerica, which had a profit of \$343 million last year, is involved in commercial lending, leasing, real estate and life insurance.

Richard Olsen, a Transamerica spokesman, said of container shipping: "It is highly profitable and it has very good growth."

He added that while Tiphook would receive a "significant price" for its container business, the British company would be left with operations that have not been profitable.

He also raised the question of whether Tiphook might not also be forced to liquidate its trailer division as well. That business and its rail car division are both exposed to risks in the slow European market, the container division, on the other hand, has been growing amid big demand in the Far East.

Rupert Atkinson, an analyst at Standard & Poor's Corp., said, "It's rather too early to make confident predictions about what will be left and how well the operations will be

Perot in France? Not So Fast

International Herald Tribune
PARIS — A regional development body claims it has linked up with Ross Perot's group to develop a \$1.1 billion cargo airport facility in the Champagne region of France. But Perot officials in Dallas said Friday it just ain't so.

Francis Lhermitte, managing director of Europort Paris-Champagne, said Alliance International, Mr. Perot's airport development company, signed a memorandum of understanding in September calling for Alliance to provide organizational and marketing assistance to the French project, planned for a former NATO air strip at Vatry.

He said that Mr. Perot's group could "maybe one day" take an equity position in the project.

But Harry McKillop, president of Alliance, a unit of the Perot Group, said the only relationship it wanted with Europort was a paid consultant. He acknowledged there had been a loose agreement, but that his company had informed the French group more than a month ago that it had no interest in going further.

French Economy Still Fragile

Reuters
PARIS — The French economy bounced more strongly than previously thought out of last winter's sharp slump, but the outlook for coming months remains questionable, according to new data published Friday.

Economists said a larger-than-expected decline of 0.3 percent in industrial output in September left doubts about how strong the economy would be this winter. Output rose by 0.5 percent in July and August.

But the national statistics office revised its estimate of economic growth in the second quarter of this year upward to show that gross domestic product grew by 0.3 percent, rather than remaining flat, as it had originally said. The economy shrank by 0.8 percent in the first quarter after contracting by 0.3 percent in the last three months of 1992.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP Computer Center. It lists the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	Latest Price
120	110	IBM	4.00	3.6	12	120	110	115
100	90	Microsoft	0.00	0.0	15	100	90	95
80	70	Oracle	0.00	0.0	10	80	70	75
60	50	Sun	0.00	0.0	8	60	50	55
40	30	Lotus	0.00	0.0	6	40	30	35
20	10	Novell	0.00	0.0	4	20	10	15
10	5	Perot	0.00	0.0	2	10	5	7

GEC-Alstom Picks Hyundai Precision

Compiled by Our Staff From Dispatches
SEOUL—Hyundai Precision & Industry Co. has been selected to be the lead domestic subcontractor on GEC-Alstom's project to build South Korea's first high-speed rail line, GEC-Alstom announced on Friday.

The decision followed intense competition between Hyundai and the two other companies, Daewoo Heavy Industries Ltd. and Hanjin Heavy Industries Co., which will become subcontractors on the project.

The president of Daewoo Heavy,

Seok Jong Cheol, vowed to take legal action for what he alleged had been a breach of contract.

But GEC-Alstom said, in response, that it "deeply regrets that the disappointment of Daewoo Heavy Industries after not being selected" had caused "inappropriate reactions, such as quoting non-existing exclusive agreements."

In August, the French-British consortium tentatively won a battle to supply the high-speed trains, known as TGV, and transfer the technology for a 410-kilometer (250-mile) line linking Seoul and the port of Pusan.

But the South Korean authorities have yet to finalize the contract, which remains subject to further negotiations over technology transfers and financing.

The project, including rolling stock, line construction and engineering work, was originally set to cost 5.8 trillion won (\$7.2 billion). Inflation has pushed this to 10.7 trillion won. Work was initially due to begin next year but some delays are expected.

Dominique de Causans, a spokesman for GEC-Alstom in Paris, said the three-part structure of the subcontracting group would avoid the risk of a monopoly position or undue competition.

"Each partner will receive from GEC a direct transfer of the necessary technology based on a fair and logical work share," Mr. de Causans said. (Reuters, Bloomberg)

This Time, Thai Broker Counts Zeros

Bloomberg Business News
BANGKOK — Phatra Thanakit, a brokerage firm, said Friday it would proceed with a \$220 million debt offering despite having been involved in the biggest computer "mistake" in the history of the Stock Exchange of Thailand.

On Wednesday, a client of Phatra Thanakit placed an order to sell 2,000 shares of Ayudhya Investment & Trust Co., a small finance company, but the number was somehow changed to 200 million shares.

The stock exchange board voted to negate all transactions "to prevent investment disaster," letting Phatra off the hook from a error that could have cost billions of baht to correct.

The company is still likely to face lawsuits and possible fines.

Havita Meadows, an analyst for Baring Research, said the glitch would "have a negative impact on Phatra's results this quarter. But there won't be an impact on the bond offering."

Tokyo Debates Tax Moves

Panel Advises Income Tax Cut for Growth

Compiled by Our Staff From Dispatches
TOKYO — A government tax panel advised Prime Minister Morihiro Hosokawa on Friday to cut income taxes and boost the sales tax to spur the economy.

The recommendation was unveiled hours before Mr. Hosokawa's departure for Seattle to attend the Asia-Pacific Economic Cooperation forum as well as a private meeting with President Bill Clinton. The recommendation was vague in key respects but provided precious political cover for Mr. Hosokawa.

Washington has been urging Tokyo to push through a broad income tax cut to put extra cash in the pockets of Japanese consumers, a move many economists believe is needed to pull the country out of its two-year slump.

There has been widespread speculation that Mr. Hosokawa would tell Mr. Clinton that Japan will cut income taxes by 5 to 6 trillion yen (\$47 to \$56 billion), but government officials have said that Japan was unlikely to offer specific figures in Seattle.

Any reluctance to name figures would be understandable. Although Mr. Hosokawa's approval rating is a lofty 70 percent and he has just scored a big win in the lower house of Japan's legislature with the passage of his promised political reform package, he must move carefully on the tax cut issue.

A move to raise the sales tax would be particularly sensitive. The current tax is 3 percent and its introduction in 1989 met a public outcry.

Coalition party members are divided on how deep any income tax cuts should be, with the desired amount ranging from 5 trillion to as high as 10 trillion yen. Some want implementation within a year and others prefer two years.

The Social Democratic Party, the largest bloc in the ruling coalition, is firmly opposed to any increase in the sales tax. "The coalition will self-destruct" if the tax is raised, a party official said.

Many Socialists won their parliamentary seats this year with promises to hold the line against a sales tax increase.

"The current tax system is unfair," said Hiroshi Kato, chairman of the government's tax commission. "People in the middle income bracket or higher deserve lower tax rates," Mr. Kato said at a news conference in Tokyo.

Although the tax panel is an advisory body reporting to the prime minister, the Finance Ministry controls its daily operations, an official at the prime minister's office said. The Finance Ministry has resisted calls for a large tax cut, believing that Japan's resources are already stretched too thin by the recession and the demands of the nation's aging population.

Perhaps reflecting the influence of the ministry, the report issued by the panel on Friday said only that Japan needed to lower its dependence on income taxes and generate more revenue from the sales tax. It did not make any more concrete recommendations.

The Finance Ministry has opposed the use of special so-called deficit bonds to finance a tax cut. "Issuance of deficit-covering bonds is not good," said Mr. Kato, the tax commission chief. "It would take at least 10 years to redeem those bonds."

The government has attempted twice this year to revive the economy with two mammoth economic stimulus packages, which included construction projects and loans to small business and home buyers. A package launched in April amounted to 12.2 trillion yen and the second package totaled 6.2 trillion yen.

But an unusually cold and rainy summer, a political scandal involving bribes for public works contracts, and the rising price of Japanese exports all but wiped out the impact of the packages. (Reuters, Bloomberg, AFP)

NTT Profit Slumps as Sales Slow

Compiled by Our Staff From Dispatches
TOKYO—Nippon Telegraph & Telephone Corp., Japan's largest telecommunications company, said Friday that pretax profit for the first six months of the year fell 1.9 percent amid weaker sales and increased competition.

For the half-year that ended Sept. 30, NTT reported profit of 103.9 billion yen (\$971 million), after 105.9 billion yen in the corresponding period a year ago.

Sales fell 1.7 percent, to 2.91 trillion yen, largely because of a 12.2 percent decline in new subscriptions for telephone lines and new telephones during Japan's economic slump.

Operating profit slipped 8.7 percent to 164.8 billion yen.

NTT's stock fell 1.7 percent on the Tokyo Stock Exchange to close at 765,000 yen.

The company said the outlook for the remainder of the year is poor, even though NTT has begun lowering its long-distance rates to cope with increased competition from new companies that have emerged since the government started selling its stake in NTT in the 1980s.

Shigeru Yoshimaka, an analyst at Barclays de Zoete Wedd, said that while lower rates may help the company in coming years, this would slow sales even more during the next six months.

"Sales were depressed because corporate users are cutting expenses," Mr. Yoshimaka said. "But NTT will face even poorer profits because of its long-distance rate cut this autumn."

For the year through March 1994, NTT predicted that sales would slip 2 percent, to 5.8 trillion yen. Pretax profit, it said, would plunge 57 percent to 106.0 billion yen.

NTT's local telephone rates are set to rise, but not soon enough to help the company in the current financial year, analysts said. The government has approved NTT's request to increase pay-telephone rates. (Bloomberg, Knight-Ridder)

Investor's Asia		Tokyo Nikkei 225	
Index	Change	Index	Change
Asia Pacific	+0.77	19,800	+1.18
China	+0.31	19,800	+1.18
India	+0.18	19,800	+1.18
Japan	+0.18	19,800	+1.18
SE Asia	+0.18	19,800	+1.18
South Korea	+0.18	19,800	+1.18
Taiwan	+0.18	19,800	+1.18
Thailand	+0.18	19,800	+1.18
Philippines	+0.18	19,800	+1.18
Singapore	+0.18	19,800	+1.18
Malaysia	+0.18	19,800	+1.18
Indonesia	+0.18	19,800	+1.18
Brunei	+0.18	19,800	+1.18
East Asia	+0.18	19,800	+1.18
South Asia	+0.18	19,800	+1.18
Central Asia	+0.18	19,800	+1.18
South America	+0.18	19,800	+1.18
Latin America	+0.18	19,800	+1.18
Caribbean	+0.18	19,800	+1.18
Europe	+0.18	19,800	+1.18
North America	+0.18	19,800	+1.18
Africa	+0.18	19,800	+1.18
Middle East	+0.18	19,800	+1.18
Oceania	+0.18	19,800	+1.18

Very briefly:

- Pioneer Electric Corp. said pretax profit for the half-year dropped 70 percent to 2.35 billion yen (\$31.3 million), while sales dropped 16 percent to 173.4 billion yen, largely because of the strong yen.
- Ricoh Co., the office equipment maker, said it managed a 38 percent rise in pretax profit in the half-year, to 6.2 billion yen, largely through currency hedging, despite a 13 percent fall in operating profit.
- Volkswagen AG's management board chairman, Ferdinand Piëch, said the carmaker would be able to mount a challenge to its Japanese competitors on Asian markets within a few years with cars made in Shanghai.
- Coca-Cola Co. and Swiss Pacific Ltd. will set up a \$20 million bottling plant with Chinese partners in Xian.
- Bharti Telecom Ltd. of India will tie up with Telecom New Zealand in a venture that plans to invest 2.5 billion rupees (\$80 million) in Punjab.
- Singapore prosecutors have accused Neo Gim Eng, managing director of Devon Industries, an edible oils trading company, of presenting invoices with exaggerated figures to get loans totaling \$28.8 million from a group of international banks. (Knight-Ridder, Reuters, Bloomberg, AFP)

Slump Takes Toll at Japan's Construction Giants

Compiled by Our Staff From Dispatches
TOKYO — With their reputation already tattered by a widening bribery scandal, a number of Japan's major construction companies on Friday posted dramatically lower earnings, primarily as a result of the ailing real estate market.

Shimizu Corp., Taisei Corp., Kajima Corp. and Hazama Corp. all had dismal results for the six months that ended Sept. 30.

The chief culprits are the free-fall in real estate prices and the nation's two-year business

slump. These trends have in turn slowed office construction.

Another problem is that top executives at all four of the companies have been arrested on charges of attempting to bribe Japanese officials in order to see their projects get favorable treatment.

The scandal has prompted the Japanese government to take disciplinary action, suspending the companies from bidding on public works projects. The suspension is expected to hurt the

companies' results for the full financial year ending next March, their executives said.

Kajima reported that its half-year pretax profit tumbled 16.7 percent to 31.8 billion yen (\$297 million). Overall orders will decline by 30 percent this year, according to company officials.

Earlier this month, Kajima said it would sell all of its Australian real estate holdings, including the luxury Park Lane Hotel in Sydney. The company has invested about 100 billion yen in Australia since 1987. (Bloomberg, Reuters)

Asia Gropes for a NAFTA-Era Trade Strategy

Agence France Press
TAIPEI — Asia's export-oriented economies began trying to deal with the North American Free Trade Agreement on Friday, as Taiwan said the accord would reduce its exports to the United States, its leading market, and South Korean officials began discussions of how to minimize its impact on the nation's trade.

Taiwan's vice minister of economy, Yang Shih-chien, said the accord approved Wednesday night by the U.S. House of Representatives would increase Taiwan's dependence on its trade with China.

The agreement aims to turn the United States, Canada and Mexico into a single free-trade zone starting next year.

Although the agreement would not have a major immediate effect, Mr. Yang said, Taiwan's trade and investment structure would be affected by it in the long run.

A study by a U.S.-based concern, Data Resources Inc., has said that competition from Mexico would cut Taiwan's exports to the United States by 0.8 percent, or \$4.4 billion, between 1994 and 2000.

The United States has been Taiwan's largest market, absorbing 27.7 percent, or \$5.12 billion, of the island's total exports in the first 10 months of this year.

Mr. Yang said the problem with NAFTA, from Taiwan's point of view, was that about 80 percent of the Taiwan-made products sold in the United States were in the same

product categories as goods made in Mexico.

He added that Taiwan was already suffering from unfavorable investment conditions, including labor shortages and increases in labor costs, real estate prices and disputes over environmental protection.

Other officials said Taiwan investors now would tend to look to the Chinese mainland for cheaper raw materials and labor and would use China's most-favored-nation status in the United States to enter the North American market with goods made there.

Lee Kao-chao, economic research director of the Council for Economic Planning and Development,

said products made on the mainland would be competitive, because labor costs there were on average one-third of those in Mexico.

In Seoul, meanwhile, the government began working-level meetings to discuss the possible impact of NAFTA on South Korean exports and how to offset it.

Among measures under consideration were ways of strengthening the Asia-Pacific Economic Cooperation forum and developing it into a free-trade zone to keep the NAFTA signatories from becoming an exclusive trade club along the lines of the European Community, an official of the Trade Ministry said.

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Market Myths and Dull Forecasts for 1993

The US dollar will move higher, precious metals have been depressed, Japanese equities are not in a new bull phase. You did not read that in the Wall Street Journal. The ideological investment club that has been the mainstay of the market since the early 1980s is now in a state of collapse. London, 071 730 7100. Fax: 071 486 4201. In NY: 212 486 4201. Fax: 212 486 4202.

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Herald Tribune.

NATIONAL AND INTERNATIONAL PUBLIC BID (postponement)

Purpose: For the awarding of the "PREPAID SYSTEM OF ADMISSION, OF PASSENGERS, CONTROL AND INFORMATION OF THE URBAN PUBLIC TRANSPORTATION SERVICE OF THE CITY OF ROSARIO, PROVINCE OF SANTA FE, ARGENTINE REPUBLIC" (SPACI).

Opening of the tender envelope: November 30th, 1993 at 10:00 a.m. in the Secretariat of Public Services, 2808 Pellegrini Ave, top floor, or on the first following business day at the same time.

Delivery of bidding proposals: At the "Direccion General de Servicios Publicos" (General Department of Public Services), 2808 Pellegrini Ave, top floor.

Cost of the Bidding Proposal: \$ 2,000 (stamped official document). Purchase of the Stamped Official Document: At the Direccion General de Rentas of the Municipality of Rosario, 711 Buenos Aires st., Rosario, Province of Santa Fe.

Bids reception: At the "Direccion General de Servicios Publicos" until 16:00 a.m. of the date indicated above.

Decree No. 1677/93. Record No. 33436-I-93
 9522/93-NCH Postponement

MUNICIPALITY OF ROSARIO

AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

13 Month	Stock	Div	Yield	PE	High	Low	Latest	Chg
13 Month	AAIM	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIC	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAID	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIE	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIF	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIG	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIH	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAII	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIJ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIK	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIL	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIM	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIN	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIO	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIP	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIQ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIR	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIS	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIT	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIU	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIV	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIW	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIX	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIY	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAIZ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJA	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJB	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJC	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJD	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJE	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJF	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJG	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJH	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJI	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJJ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJK	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJL	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJM	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJN	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJO	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJP	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJQ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJR	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJS	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJT	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJU	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJV	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJW	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJX	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJY	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAJZ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKA	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKB	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKC	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKD	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKE	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKF	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKG	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKH	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKI	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKJ	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKK	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKL	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKM	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKN	0.45	4.7	10.0	10.0	10.0	10.0	0.00
13 Month	AAKO	0.45						

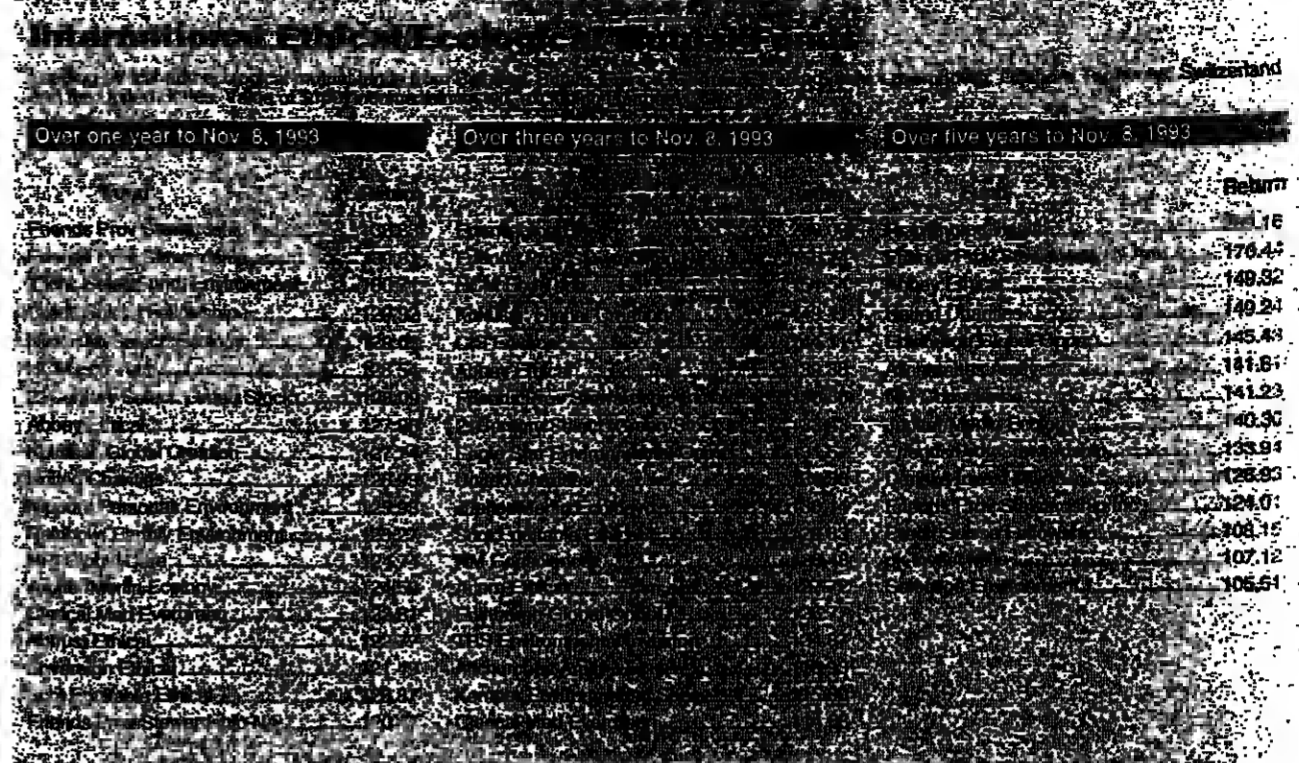
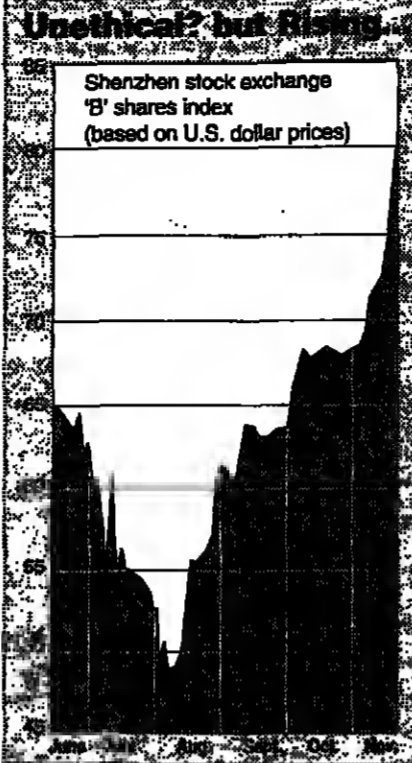
MONEY

FIRST COLUMN Regulators, Show Some Humility

If you don't believe that success has many fathers, ask an American fund manager, regulator or lawyer. In fact, almost everybody connected with the conspicuously booming U.S. mutual fund industry nowadays seems to be claiming significant participation in what is deemed to be the industry's success.

'Ethical' Investing: Doing Good, or Massaging Consciences?

WHEN is an investment unethical? It is a difficult question. Many would argue that it all depends on the idiosyncrasies of each investor's liberal prejudices.



But even that casuistic test of investing is crumbling before investors' eyes. Following this week's adoption of a multiracial constitution and Nelson Mandela's call for economic sanctions to be lifted, ethical investors are lifting their blanket bans on investment in South Africa and debating what action to take against the next evil empire, China, and other 'ethically regressive' markets.

China and many other emerging markets fall far short of such ethical ideals as equal employment opportunities, the right to organize trade unions, domestic laws on a minimum wage and maximum hours of work, strict anti-pollution controls, and so on.

happening is Western capital has flown to the south and is being invested in companies whose standards on health, safety, and environmental grounds are much lower than standards in the West.

But he has decided against buying shares in Hyundai Group from South Korea. "The rationale was there was brutal repression of a strike this summer in July," he said.

opened economies. He would include Chile, Brazil and South Africa. At Jupiter Tyndall, Mr. Campenali says he tries to buy companies that are setting good examples in the fields of human rights or ecology.

U.S. and China Are Key to Asia Markets

Members of a panel of experts in economics and investment offer their opinions on the world's major economies, currencies and financial markets.



Anna Tong, director, Actual Investment Management (Hong Kong) Ltd.

Although President Bill Clinton's attempt to lift the U.S. embargo to Vietnam failed, his decision to remove the blocking of multinational lending to the country has sufficiently raised attention from the international investing community.

Vietnam does have an exciting long-term growth story. It has the third-largest population in Southeast Asia—72 million, with 70 percent under the age of 35.

Following the recent strength of equity markets, there is some inevitable concern by investors that values are running ahead of economic recovery. Some correction in the course of the next six to nine months, within a continuing bull market likely to last until 1995, looks to be the most likely course.

Lack of accounting standards is also a significant problem; it is not

uncommon to find hidden losses or a lack of bad-debt provisions on the books of Vietnamese companies.

Another critical problem is the lack of infrastructure, with shortages in transportation, telecommunications and power. For example, it takes six months to two years to install a telephone line at a cost of \$1,000.

Currency risk is another issue. It is estimated that 40 percent of all transactions in Vietnam are in gold or hard currency. The lack of confidence in the local currency has forced the government to maintain high deposit rates to mobilize savings.

Given the lack of legal and accounting infrastructure, the equitization process has a long way to go. The agenda of the government is, first, to set up a bond market to trade government, municipal and corporate issues.

While the potential for development is in sight, the realization for foreigners will be a while in coming.



Howard Flight, director, Guinness Flight Global Asset Management

Following the recent strength of equity markets, there is some inevitable concern by investors that values are running ahead of economic recovery. Some correction in the course of the next six to nine months, within a continuing bull market likely to last until 1995, looks to be the most likely course.

It is unlikely to be earlier than 1995 before world economies are advancing together. As regards the Japanese stock market, the positive arguments are that much of the Japanese economic news has been discounted; as and when recovery occurs, there will be a sharp upwards gearing to profits; profits performance anyway is mixed, with some sectors doing well, a further retreat by the yen from its recent highly overvalued levels should improve corporate profitability significantly; much of the stimulatory measures taken by the government have yet to work their way through.

The bad news is that an acceleration in Japanese unemployment, which now looks likely, can be expected to weaken Japanese consumer confidence further; the downturn for corporate profits currently looks worse than expected—down 30 percent-plus; there are significant risks of further major bankruptcies and potential financial failures; above all, with Japan unlikely to return to premium growth rates for a considerable period of time, it is difficult to justify current stock market values, even allowing for accounting distortions. The worrying factor is that if the market slumps when the government and major Japanese financial institutions have already

sought to cooperate to stabilize values, the fall could be precipitous.

The debate as to the outlook for Hong Kong reflects wholly different factors. From overseas, Hong Kong is correctly seen as the "New York" of southern China, where an economic and industrial revolution is taking place, comparable to that of America in the 1880s. Hong Kong stocks represent directly and indirectly a proxy for the dramatic economic growth occurring in southern China, and a major beneficiary, if indirect beneficiary, of the \$100 billion invested in China from overseas over the last year alone.

Hong Kong businesses are both the main conduit for the exporting of an increasing spread of goods made in China, and also stand to benefit from Chinese infrastructure development, or simply from Chinese money finding its way into Hong Kong values. If China is to become the largest economy in the world by the early 21st century, institutional and individual investors are clearly underweight in their exposure to China. In 1992, Americans invested \$20 billion in Latin American markets, but only \$2.8 billion in Hong Kong—no wonder October saw a surge of U.S. money into the Hong Kong market.

Kong residents point to the pre-dominance of Hong Kong property values, supporting the Hong Kong stock market. Property values are perceived as highly volatile, given the political problems.



Christopher Kwiecinski, investment manager, Banque Indosuez, Global Private Banking

International investors breathed a sigh of relief as October's evil spirits remained on hold. However, before the month ended yet another triple three configuration flashed across the global trading rooms. In the third week of October, U.S. Treasury bond prices registered their worst weekly loss (3 points) in... three years. This correction should have surprised only those who still refuse to accept the notion of a U.S. recovery and who provided recent market support mainly on the basis of economic weakness.

The equity markets of Hong Kong, Singapore, Malaysia and Thailand soared to historical highs in recent weeks as "a wall of American money was thrown at them" according to a newspaper headline. To be sure, above-average, long-term growth prospects in these dynamic economies and their record of current stability have been attracting foreign investors for many years.

However, there should be no risk in overemphasizing their sensitivity to the United States interest rate cycle and trade policy. The wave of funds flowing out of North America could strain the absorption capacity of these markets and exacerbate monetary and exchange rate management in the region. Hong Kong stands out as an example.

Furthermore, these economies rely heavily on relatively unrestricted access to the North American export markets and changes in the American business cycle are quickly transmitted throughout the region. For this reason and as a result of more or less formal pegging of their currencies to the dollar, U.S. monetary policy has direct and almost immediate influence on the interest rates of the Pacific Basin economies.

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THE MONEY REPORT

BRIEF CASE

Friends Provident Offering Closed-End Ethical Fund

Friends Provident, a leading player in the British ethical investment industry, is launching a closed-ended ethical fund early next month.

Factors disqualifying companies from having the fund as a shareholder will include military-related contracts, production of alcohol or tobacco products, production of violent or pornographic films, gambling, and "the unreasonable exploitation of people generally."

Investors can choose between two classes of share. Zero dividend shares will provide capital growth at a predetermined rate of 8 percent.

Peter Silvester, executive director of Friends Provident described the new vehicle as "innovative."

Total management charges are expected to be less than 1 percent of monies invested. The minimum investment is £1,000.

For more information, call Friends Provident in London at (44 71) 329 4454.

From Guinness Mahon, Multicurrency Checking

Guinness Mahon Guernsey, part of the offshore private banking arm of the Guinness Mahon group, is expanding its interest-bearing checking account to offer "money market levels of interest rates on 25 major currencies."

The minimum initial deposit for the account is £2,500, (\$3,750) or the equivalent in major currencies.

"Multicurrency facilities are the most-demand service in offshore private banking

at present," said Kevin Kenny, chairman of Guinness Mahon Guernsey. "Many of our clients are likely to be juggling a number of different currencies. They may be paid in one, perhaps pay school fees in another, a mortgage in another, and maybe need to protect their currency exposure at the same time."

For more information, call Guinness Mahon at London (44 71) 623 9333.

A Kleinwort Benson Fund For 'Second-Hand' Policies

The second Kleinwort Benson mutual fund investing in second-hand life insurance policies has been launched. The idea of the fund is to manage a portfolio of policies with a range of differing investment maturities and values.

"This trust offers long-term investors the prospect of good real returns with a relatively low level of risk," said Simon White, managing director of Kleinwort Benson Investment Trusts.

The fund will run for about 12.5 years. It will be listed on the London Stock Exchange and have a maximum size of £20 million. Minimum investment is £1,000.

For more information, call Kleinwort Benson in London at (44 71) 956 6600

Robertson Stephens Offers 'Contrarian' Hedge Fund

Robertson Stephens & Co., the San Francisco firm known as an investment banker to high-tech growth companies, has rolled out the Contrarian Fund, an SEC-registered hedge fund targeted at individual U.S. investors.

Most hedge funds are closed to American citizens because they are domiciled in less-regulated tax havens like the Cayman Islands. Even for qualified investors, the entry ticket can run as high as \$250,000.

Hedge funds typically try to reap profits by placing big bets for or against certain sectors of the markets. On the "long" side (anticipating potential gains), the fund manager, Paul Stephens, currently has "substantial investments" in growth gold mining companies that are adding to reserves by new finds and acquisitions.

About 25 percent of the \$43 million fund is in "shorts"—stocks on which a manager hopes to profit from an expected decline in value by selling borrowed shares, then rebuying them at lower prices.

Mr. Stephens's candidates for a fall: over-valued "cult" technology stocks that are widely held by big institutions; and bank and mutual fund

companies, which he believes will take a tumble as U.S. interest rates revive.

Mr. Stephens already has a track record with his Orphan Fund, a private partnership which has appreciated 42 percent since the first of the year. The open-ended Contrarian Fund is currently selling at around \$11 a share with a minimum initial investment of \$5,000.

New Travel Card Launched, But Is It the Best Value?

A pre-paid card which international travelers can use to withdraw local currency from automatic teller machines (ATMs) will be launched by Visa USA next year.

The fee for the card, which will be issued in selected markets at first, will probably be competitive with that charged for travelers checks. If the card is lost or stolen it will be cancelled on user notification and a second one issued.

Visa is not the only player entering this new market. MasterCard International reportedly plans to roll out a pre-paid card in Europe, and Citibank recently brought out a similar card, which can be used in 45 countries, for Japanese consumers.

The Money Report will carry an in-depth analysis of this method of currency exchange in a later issue.

Guernsey Funds Achieve New All-Time Record Levels

Boom time in the offshore centers. Open-ended mutual funds (as opposed to the corporate-type closed-end variety) have hit new record levels in the British Channel Island of Guernsey.

The island's managers have more than \$1.3 billion in their custody, according to the Guernsey Financial Services Commission.

Mauritius Has Tax Charms To Woo Western Investors

Mauritius, a growing offshore center, and a favorite gateway into India for western fund managers, has stimulated interest with its tax reform program.

In addition to its tax treaty with India, Mauritius has eliminated its erstwhile requirement for companies to distribute 80 percent of profits to shareholders.

Enthusiasts in the Driver's Seat. Prices in British pounds. 1981 Jaguar E-Type Roadster, 1990 Bentley Speed Six VDP open tourer, 1955 Mercedes-Benz 300SL Gulfwing, 1973 Ferrari 365 GTB/4 Daytona.

The Nonpecuniary Rewards of Old Cars

By Karina Robinson

PRINCE Charles races off to his polo matches in an Aston Martin DB6 Volante. The image is glamorous, and the social prestige of vintage, classic and high-performance cars is not entirely unconnected to their perceived value.

Although Prince Charles may be indifferent to such considerations, many others have dejectedly seen their investment plummet in value. The key lies in the owner's perception of his car. The bottom may be said to have fallen out of the market, but the true enthusiast who was in the market before it zoomed up in the late '80s will generally have an appreciating asset that has not lost its value.

Simon Kidston, auction manager of the dealer Coys of Kensington pinpoints the difference between the boom years and the regular client. "Ninety-eight percent of our customers drive the cars around. This was not necessarily the case four years ago, when only 60 percent drove them around and they were bought solely as investments and stuck in garages with dehumidifiers," he said.

For the owner-enthusiast, the car's slowly appreciating value will allow him to trade upwards into a more expensive model or make, should he so wish, while the income is measured with far from standard criteria. It consists of being able to participate in vintage car races, in say, the Annual Rolls Royce rally. Or in club events such as tours through France where the food and the wine almost—but not quite—outpace the cars, or in spending weekends tin-

king with engines. The delights are endless, but nonpecuniary.

This does not mean that collectors are tremendously wealthy individuals with no need for such mundane things as dividends. Rather, they are a diverse bunch of human beings, united by little other than their passion for cars. They include high profile figures such as Pink Floyd drummer Nick Mason and the former British government minister and diarist Alan Clark, as well as eccentrics with million chop whiskeys.

Tony Rippon is neither eccentric nor bewhiskered, but in many ways he is an emblem of the enthusiasm which is the basic underpinning of the market. Having fallen in love with motor racing at an early age, he raced Bugattis from the 1950s to the '70s and passed this passion on to his twin sons, who, two years ago, drove across a number of continents in a 1959 Lancia Aprilia.

His advice to first-time buyers of collectors' cars is succinct: "First of all, talk to a friend who is already a knowledgeable enthusiast, as you want a disinterested helper. Practices are far worse than in life insurance sales. I would then go to an established dealer who would have the leisure to go into the background of the car, and would call the club which dealt with it. An auction would not be the way. Auctions are for people who know."

The dealer Stanley Mann sells only vintage Bentleys (vintage cars are those built up to 1931 while classic cars are post-1931, although the definitions are often used loosely). Despite the family business being a kosher butcher shop, he was always fascinated by cars.

"I had always wanted a Bentley," he said, "it was the best fun I could have with my clothes on so I set up a garage repairing them and it grew from there."

He is categorical in saying that vintage cars should never be bought for investment, al-

though he points out that they are not liable for capital gains tax and that over seven to 10 years you can sell them and make money. But this is subject to a number of caveats, such as the state of a car's engine.

"You can buy a vintage Bentley at auction, find the engine doesn't work properly and then spend £50,000 to repair it," he said.

The auction houses Sotheby's and Christie's would argue with this view as they tend to describe the state of the car in a certain amount of detail in the catalog. They charge the vendor 10 percent and the buyer 15 percent up to a lot value of £30,000, after which the buyers' charge falls to 10 percent.

"Malcolm Barber, a senior director at Sotheby's who heads up the vintage and classic department, believes the market has stabilized and is now back to pre-1989 levels.

"It is now supported by the enthusiasts as it always was before it became unbalanced towards the investors who wanted an increase by the following year. They were not connoisseurs and did not take care of the cars so they often went down in value," he said.

Inter-EC trade is helping the market to stabilize. With the single market, a Belgian customer can buy a car in Britain and have no extra taxes to pay as long as that car is registered within the European Community. But this does not apply to the United States. Interestingly, a lot of English cars that were sold to Americans in the 1950s have come back to Britain, and as long as the owner can prove they were registered here, there is no VAT to pay as it is classified as a "used car."

Mr. Kidston of Coys pointed to the international character of the market. "A lot of cars have done more miles in the air than by road if they come back and forth from various countries depending on the strength of currencies and such factors," he said.

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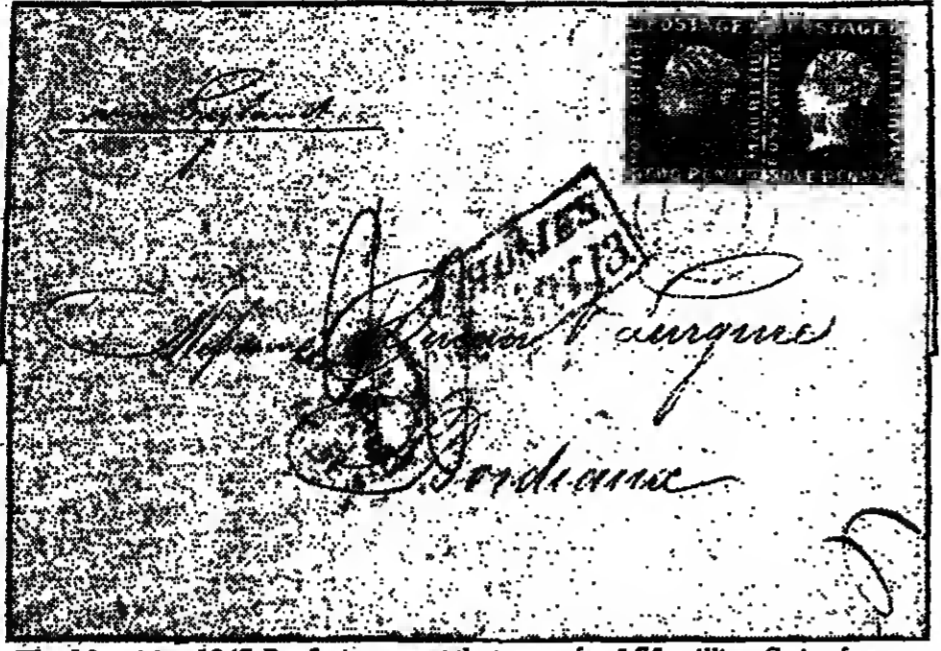
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THE MONEY REPORT

Stamp Prices Higher, Collectors Savvier

By Philip Crawford
PERCEIVED by many as the tame, bookish sister to the more glamorous picture market, philately has found suitors somewhat difficult to attract since its late '70s flowering...



The Mauritius 1847 Bordeaux cover that went for 5.75 million Swiss francs.

at the Feldman auction, a one-penny specimen for 1.4 million Swiss francs, and a two-penny stamp for 1.5 million francs.
Keith Harmer, of the New York philatelic firm that bears his family name, said the price reported paid for the Bordeaux cover was "staggering"...

Market in Coins Is Again on the Upswing

By Aline Sullivan
THIS week the Hong Kong dollar was trading at about 8.75 British pence in the London foreign exchange markets. And yet just a month earlier the owner of a single Hong Kong dollar bill had exchanged it in London for £26,000 (\$39,000)...

ment bandwagon," said James Morton, head of coins and medals at Sotheby's in London.
"Will this time be different? Dealers and auctioneers say they are seeing higher prices for good-quality coins, and many agree that there is money to be made in the market now...

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THE MONEY REPORT



Muscling around barrels of whisky, some owned by private investors, at the Springbank Distillery.

Have Your Scotch, and Drink It Too

By Faith Glasgow

BON viveurs take note: In 12 years' time, for roughly the cost of a couple of bottles of expensive wine, you could roll up to dinner parties and present your host with a bottle of your own limited edition, first class malt whisky, complete with customized label.

Liquid assets are nothing new, as wine investors know. But buying whisky en primeur as an investment has value, not only as a conversational novelty but also as a potential source of profit. Although the market is awash with blended scotches, premium single malts are growing in popularity and some of the finest have been in short supply in recent years.

Casks of maturing whisky, known in the trade as fillings, have become increasingly difficult for individuals to find — a consequence of the whisky industry's domination by a handful of giant conglomerates who own and run almost all the distilleries. Commercially sold malts depend on consistency, and some must be standardized by mixing barrels, adding caramel for color and sweetness, and chill-filtering to get rid of the floating, but flavorless, dregs. But business is reluctant to relinquish control over precious new fillings and risk rogue bottlings slipping onto the market.

An exception to the rule is Springbank, one of the last family-owned and run distilleries, based in Campbeltown, Scotland. The company sells 256-liter barrels of whisky to private investors. The company is something of a pioneer in the market, according to John Melhuish, a manager at the wine merchant Tanners of Shrewsbury (which offered a limited stock of Clynelish and Morlich Highland malts in casks last year). "As far as I'm aware," Mr. Melhuish said, "Springbank is the only ongoing scheme in operation, but occasional one-off opportunities do arise to buy casks through wine merchants like ourselves."

THE financial trade-off is a good cash flow for the company, which no longer has its capital tied up for more than a decade in maturing casks, against a premium whisky investment for the purchaser.

But is it a good investment? Would-be buyers need to think very carefully about a number of factors common to any investment before committing themselves. On purely financial criteria, investing in a cask of whisky fails an important test: The market, on the supply side at least, is somewhat thin.

As with any commodity, market conditions will dictate the value of the mature cask. Supply of Springbank — which industry observers say is highly prized by blenders of Scotch who use malt to flavor their concoctions — is limited by the fact that the distillery malts its own barley, and can only produce a certain amount at any one time.

So much for supply. Demand, meanwhile, is currently growing. Industry professionals say

Demand is growing. Industry professionals say that 40-year-old bottles of malt whisky can fetch as much as \$2,250 in the Far East.

that 40-year-old bottles of malt whisky can fetch as much as \$2,250 in the Far East.

But the price of individual bottles is a little misleading. The real market for the financially orientated investor is in bulk whisky. Investors can wait for their whisky to mature, or can sell their casks on the bulk whisky market at any time. The market is highly competitive, with such major players as the Scottish Malt Whisky Association and such wine merchants as Oddbins vying for the best bargains.

As with any investment, the timing of both purchase and sale is extremely important. Investors wanting to sell are not, of course, obliged to wait for maturity. Overall, though, whisky market specialists argue that it makes sense to sit tight until the glorious day of maturation dawns, when investors have several options.

One option is to have it all bottled and sold. Another is to leave the bottled whisky where it is and withdraw it by the case, applying VAT and duty in small chunks. A third option is to leave the whisky in the cask. It can be drawn out and bottled a third at a time.

The current cost of bottling is around £360

for a hoghead, with British taxes of about £6.50 a bottle, payable when the whisky comes out of bond. All in, at today's prices, investors pay around £11.50 a bottle.

Another factor for investors to consider is the effect of Britain's value-added tax and import taxes. Any predicted return can only be a rough guide, but Stephen Williams, vice president of the investment bank J.P. Morgan, has calculated an 18 percent return, based on a 12-year current retail prices of about £29 (\$45) in Britain can be maintained.

A further possibility is to send the bottled whisky, still in bond, direct to France, pay French duty (less than half the British tax levied on alcohol). But then, of course, you could only take it out of the country as part of an individual duty-free allowance.

Those who really have an aversion to paying duty might consider sending the whisky to Greece (where duty is about 5 percent of the British tax), but the distance and expense of shipping hardly make this a practical possibility.

THERE is another important consideration which is not purely financial: The quality of the product.

The initial quality of the whisky depends on the type of cask you choose. Whatever liquor the barrel contained in its previous life imparts its flavor to the maturing whisky. A bourbon cask of a new filling costs around £950, and produces a pale and elegant spirit. Sherry butts (twice the size of the 256-liter hoghead) give a darker and sweeter result.

A fresh butt imported from Jerez — yielding the strongest sherry overtones — costs around £2,250. A "remake" hoghead at £1,000 — sherry and bourbon mixed — gives the best of both worlds, according to some connoisseurs. Those prices, which investors must pay, include 10 years of storage and insurance at Springbank.

Investing in whisky, when subjected to financial analysis, is clearly one of the more exotic ways of making money. The only way investors can be sure that they won't lose out is non-financial. Those who can assure themselves that if the bottom falls out of the market they will be happy to have their own whisky to drink and give away really can't lose — providing they like the taste.

The Peculiar Appeal of Phone Cards

By Ann Brocklehurst

IN the world of collectibles, telephone cards are among the hottest emerging markets of the past decade. The little plastic cards used instead of money to make calls from public phone booths are now issued in 165 countries and traded actively in Asia and Europe. The trend is also catching on in the U.S. where the American Numismatic Society has just given telephone card collecting its official blessing.

Even though card collecting became popular almost immediately after the birth of the telephone card, many early cards were thrown out by people who simply weren't aware of the phenomenon. As a result, standard-issue cards produced as recently as three to five years ago can easily be worth five to 10 times their original face value. The most valuable cards sell at auctions for \$6,000 to \$7,000.

A card's value is determined by its rarity, the type of technology it uses and its appearance. Cards can feature anything from original artwork to reproductions of postage stamps to a Michael Jackson photo. Their face value varies but tends to range from \$1 to \$35.

Steve Hiscocks, a former philatelist who edits the magazine "International Telephone Cards" and compiles catalogs, says cards are "really the first worldwide collectible to be invented since stamps. All respectable collectibles — stamps, coins and notes — are some form of money and that's what telephone cards are."

Mr. Hiscocks, who lives and works in Surrey, England, thinks card collecting has a good future ahead of it so long as pay phones are not superseded by more modern technology. "A new development could obviate the whole thing," he said. "If everyone had a personal phone in his pocket there would be no need for pay phones at all." In that unlikely event, he added, there would be no new material to collect and very few new collectors, which would cause the market to stagnate quickly.

Whether the increased interest in card collecting in the United States will boost world prices remains to be seen. But as American phone companies are switching over to card-operated phones from coin and credit machines, American cards are becoming better looking and more sophisticated. The market will be a very different one from European ones where national telephone companies or a small group of firms have a monopoly on production. In the United States, there are already 100 companies issuing cards, Mr. Hiscocks said.

Due to the dearth, until recently, of telephone-card collectors in the United States, many of the early American cards are now in Germany. With some 150,000 collectors willing to spend lots of money on their hobby, Germany is the market in the world. But because of its recession, prices have dropped considerably over the past year.

"From 1988 to 1992, prices moved higher almost daily. Until 1992, there was no risk. One month later you had a 100 percent, 200 percent profit," said Joachim Hofmeister, who organizes telephone-card auctions and trade fairs and publishes a magazine from his Berlin offices.

In Germany, most cards were bought for speculation and not hobby collecting. In the resulting high-turnover market, it was only the large numbers of new buyers that kept prices moving upwards.

New and strong markets in the Pacific rim are Singapore, Hong Kong, Thailand, Australia and New Zealand. In Europe, France has a smaller but older market than Germany and card collecting is growing rapidly in Italy, Scandinavia and the Benelux countries. The cards are sold in special card stores, in stamp shops, and at flea markets, trade fairs and auctions.

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SPORTS

Blazers Humble Bulls, 120-98

The Chicago Bulls have known since before the season started that they would miss Michael Jordan. Losing Scottie Pippen, John Paxson and Scott Williams was too much.

The Bulls lost their third straight game Thursday night, and this time it was a serious rout. Chicago

led Chris Gatling's 19 points and 10 rebounds.

The Warriors outscored the Lakers 84-48 in the final three quarters, turning a 28-19 deficit into a 74-61 lead by the end of the third period.

The Lakers hit just 12 of 29 shots in the two middle periods. Their 76 points are the fewest by a Golden State opponent since the Warriors beat Boston 97-75 in 1971.

Gatling was one of six in double figures for Golden State, and one of four with 10 or more rebounds.

Clippers 88, Mavericks 84: Los Angeles beat visiting Dallas for the eighth straight time, behind Ron Harper's 28 points.

The Mavericks, with the NBA's only all-rookie front court in Jamal Mashburn, Popeye Jones and center Darren Morningstar, fell to 1-6.

Rockets 99, Pacers 83: Houston improved to 8-0 overall and 5-0 on the road behind Otis Thorpe's 24 points and 11 rebounds, including 16 points in the pivotal third quarter at Indiana.

The Rockets, who have yet to allow 100 points in a game, also got 19 points and 10 rebounds from Hakeem Olajuwon, whose five blocks moved him into third place on the NBA career list with 2,476.

Nuggets 100, Cavaliers 93: Mahmoud Abdul-Rauf had 22 points and Bryant Stith scored seven of his 20 in the final 3:56 for Denver against visiting Cleveland.

Reggie Williams dunked with 2:40 left put the Nuggets ahead 92-91, Williams' free throw at 1:54 made it a two-point lead, but Mark Price tied it 93-93 with a running jumper from the lane with 1:36 left.

After a Denver turnover, LaPonzo Ellis blocked a shot by Cleveland's Chris Mills and Stith converted a layup on the fast break to put the Nuggets ahead 95-93 with 50 seconds left.

NBA HIGHLIGHTS

trailed by as many as 37 points in the second half at Portland before losing 120-98, the Bulls' most one-sided defeat by the Trail Blazers in their history.

"We were totally unprepared for this game," said Chicago's coach, Phil Jackson. "It was very disappointing. It is obvious the Blazers were anxious after the last couple of seasons to give us a licking and they surely did that, and then we fell apart for more."

The Bulls, three times champion, fell apart in the second quarter. The Trail Blazers shot 68 percent from the field and outscored the Bulls 35-15 in the period, taking a 64-36 halftime lead. Chicago committed 10 turnovers in the period.

"It felt like the Blazers of old," said Cliff Robinson, who led Portland with 21 points in 27 minutes. "We were able to defend, get to the boards and convert off the break. We kept the pressure on them, and we kept pushing it down their throat."

Steve Kerr scored 16 points and Horace Grant 14 for the Bulls, whose previous biggest loss to Portland was by 16 points in 1983. Clyde Drexler had 19 points and Rod Strickland 14 points and nine assists for Portland, which out-rebounded Chicago 59-28.

Warriors 103, Lakers 76: Golden State won its first home game in four tries, routing Los Angeles be-



Indiana's Dale Davis used acrobatics to block Otis Thorpe, but Houston won its eighth straight game.

No Merger In Britain, FIFA Says

LONDON — FIFA world soccer's governing body, angrily denied on Friday suggestions that it would welcome a merger between the four British soccer associations to form one British team to play in future major tournaments.

British papers were suggesting the idea on Friday after England, Scotland, Wales and Northern Ireland all failed to qualify for next year's World Cup finals in the United States. One newspaper quoted an unnamed FIFA official as saying FIFA would welcome the idea of a British merger.

But in a telephone interview from Zurich, Sepp Blatter, FIFA's secretary general, denied that FIFA would make any move to change the independent status of the four British associations.

"Newspaper reports quoting an unnamed FIFA source that FIFA would welcome a British team competing on the international stage are absolute rubbish," Blatter said.

He added: "FIFA's official line is very clear on this point. There is no move in any way to change anything regarding the status of the four British associations."

A Welsh court on Friday ordered that two brothers charged with murder in the death of a fan killed by a rocket at a World Cup qualifying match be held without bail for one week. The Associated Press reported from Cardiff, Wales.

Andrew McAllister, 30, and Kerry Still, 34, are charged with the murder on Wednesday of John Francis Hill, 67, who was hit by a high-velocity distress rocket during the final moments of Wales' 2-1 loss to Romania. Two other men arrested in connection with the killing were released without charge.

Maradona in U.S.: Hand of Destiny?

MILAN — It was destiny. We get Italy. We get Ireland. We don't get the English things but we do get Diego Armando Maradona. He was always coming to the World Cup, but he waited until last because that is what megastars do. They hold out until everybody else is assembled and then they traipse casually into a crowded room and they bat their eyes and they ask, "Oh, my goodness, was everybody waiting for me?"

Yes, they were waiting. Twenty-three nations had already qualified for the 1994 World Cup of soccer, the biggest sports tournament on your globe or mine. Very late on Wednesday night, the whole world was curious how Diego Armando and his Argentine teammates would get past Australia.

He is our kind of guy — a swaggering rogue, Pete Rose, without the achronautics, Reggie Jackson, without the IQ, Michael Jordan, without the acrobatics, Joe Montana without the looks. A chunky, swarthy, arrogant superstar.

This is the man who callously punched the ball into the goal against England during the 1986 World Cup. Only one person in the entire universe missed what Diego Armando last perpetrated, and that was the referee. Later, Diego Armando attributed the goal to "the hand of God." Ah, yes, but God helps those who help themselves. Diego Armando does it his way.

He has leapt from club to club in Buenos Aires, Barcelona, Naples and Seville, leaving fans and club officials and contracts and legal matters in his wake. He sat out 1991-92 because of a drug conviction.

Last year when some punks roughed up his old Naples teammates on their practice field, Maradona advanced the theory that the owner arranged it because the players were having a bad year. A man who punches the ball in the goal is quite likely to see plots everywhere.

Unless he messes up in the next seven months, gets kneecapped for some private transgression, he is coming to America, and all its riches. The corporate weasels must do something with the money they were throwing at Michael Jackson. All they needed was for Diego Armando to think of something.

Would it be one brilliant flick of a lead pass, the way he helped beat Brazil in the round of 16 during the 1990 World Cup? Would it be a booming penalty kick during a shootout, the way he helped beat Italy in the 1990 semifinals? Would it be a hipper-gipper goal, like the other one he scored through the entire Coldstream Guards in 1985?

No, this time at a well-rounded 33, he distracted Australia with his vintage moves, and in the 60th minute he allowed Fernando Redondo to feed Gabriel Batistuta, whose shot ricocheted off Alex Tobin, an Australian defender, for the only goal of the evening. After which, Diego Armando said, "We deserved it. I advanced the ball to the strikers." But you knew that.

Now the cast is complete. Twenty-four teams, some surprises like Norway, Switzerland, Greece and Bulgaria, some mainstays like the three-time champions from Italy, Brazil and Germany, plus the United States as the host team, chosen for its telephone system rather than its soccer network.

St. John's Sees Streak Ended by Towson State

The biggest names on the left side of Towson State's won-loss ledger had been Richmond and Jacksonville.

Sure, there were close NCAA tournament losses to Oklahoma and Ohio State, but there just weren't any big-time notches on the belt. Until Thursday night.

That's when Towson State went into Alumni Hall in New York and handed St. John's a shocking 66-65 loss in the first round of the Preseason NIT.

Gone was St. John's 23-game home winning streak. Gone was a 62-game run over nonconference opponents at home. Gone was the perfect record at Alumni Hall after 25 home openers. It was only the second season-opening loss for St. John's since 1927.

On Saturday night, Towson State will be at Massachusetts and Georgia will be at Minnesota in second-round games. On Friday, No. 19 Cincinnati will be at No. 1 North Carolina and No. 6 California will be at No. 9 Kansas.

The semifinals are Wednesday at

Madison Square Garden in New York, with the title game two nights later.

Towson State led 40-42 with 12:39 to play, but the Tigers looked like they were in trouble when St. John's tied it with an 8-0 run over the next 2:11.

The Tigers' 15-point underdogs, led 65-60 with 2:44 left and managed to hang on despite scoring one point the rest of the way.

No. 10 Minnesota 70, Rice 61: In Minneapolis, Voshon Lenard was 5-for-18 from the field but finished with 18 points to lead the Golden Gophers, who won last year's post-season NIT.

No. 22 Massachusetts 68, Cleveland State 60: In Amherst, Massachusetts, Mike Williams scored 23 points and was the lone bright spot offensively for the Minutemen, who shot 38 percent from the field and 43 percent from the free throw line.

Georgia 89, Alabama 70: In Athens, Georgia, Shandon Anderson had 22 points, seven rebounds, seven assists and six steals in just 29 minutes as the Bulldogs cruised.

SCOREBOARD

NBA Standings

EASTERN CONFERENCE				
Atlantic Division				
W	L	Pct	GB	
New York	7	1	.875	
Boston	5	2	.714	1/2
Miami	3	2	.600	2 1/2
Orlando	4	3	.571	3 1/2
Washington	3	3	.500	4
New Jersey	3	3	.500	4
Philadelphia	2	4	.333	5 1/2
Central Division				
Charlotte	5	2	.714	
Atlanta	3	4	.429	2
Chicago	4	3	.571	1 1/2
Detroit	3	4	.429	2
Cleveland	3	3	.500	1 1/2
Indiana	1	4	.200	6 1/2
Kentucky	1	7	.125	9 1/2
WESTERN CONFERENCE				
Midwest Division				
Houston	6	0	1.000	
Utah	6	0	1.000	
San Antonio	4	4	.500	
Denver	3	4	.429	1/2
Minnesota	3	4	.429	1/2
Collins	1	6	.143	6 1/2
Pacific Division				
Seattle	6	0	1.000	
Phoenix	5	1	.833	
L.A. Clippers	4	3	.571	1/2
Portland	3	3	.500	1 1/2
Golden State	3	4	.429	2 1/2
Sacramento	2	4	.333	3 1/2
L.A. Lakers	3	3	.500	1 1/2

THURSDAY'S RESULTS

W	L	Pct	GB
Houston 84, Portland 72			
Utah 103, San Antonio 82			
Phoenix 101, Denver 82			
Seattle 101, Sacramento 82			
Portland 101, Golden State 82			
Phoenix 101, Dallas 82			
Phoenix 101, Dallas 82			
Phoenix 101, Dallas 82			

NHL Standings

EASTERN CONFERENCE				
Atlantic Division				
W	L	T	Pts	
New York	14	4	28	70
N.Y. Rangers	13	5	28	72
Philadelphia	12	8	26	66
Washington	9	10	18	54
Florida	7	10	17	52
N.Y. Islanders	4	12	12	48
Tampa Bay	4	12	12	45

THURSDAY'S RESULTS

W	L	T	Pts
New York 4, Philadelphia 1			
N.Y. Rangers 4, Washington 1			
Philadelphia 4, Washington 1			
Washington 4, Philadelphia 1			
Washington 4, Philadelphia 1			
Washington 4, Philadelphia 1			
Washington 4, Philadelphia 1			

TRANSACTIONS

BASKETBALL
National Basketball Association
INDIANA — Pat Dennis, forward, on injured list. Activated Kenny Williams, forward, from injured list.
L.A. LAKERS — Activated Elden Campbell, forward, Pat Trevor Williams, forward, on injured list.
MIAMI — Placed Keith Adkins, forward, on injured list. Activated Alec Kassar, forward, from injured list.
MILWAUKEE — Put Frank Brickwood, forward, on injured list.
WASHINGTON — Activated Glenora Marston, center.

FOOTBALL
National Football League
BUFFALO — Signed Jerry Ostrick, offensive lineman, to practice squad. Released Chris Hunter, wide receiver, from practice squad.
PHILADELPHIA — Signed John Bricker, linebacker, to 1-year contract. Released Gerald Nichols, defensive tackle.
TAMPA BAY — Put Anthony McDowell, tightback, on injured reserve. Activated Steve Love, offensive lineman, from practice squad.

CRICKET
HERO CUP
One-Day International
South Africa vs. Sri Lanka
Prize: Sri Lanka, India
South Africa: 214/7 (20 overs)
Sri Lanka: 136/all out (40 overs)
South Africa won by 78 runs.

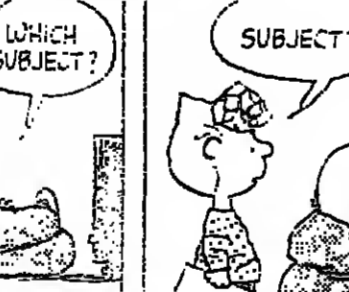
DENNIS THE MENACE



PEANUTS



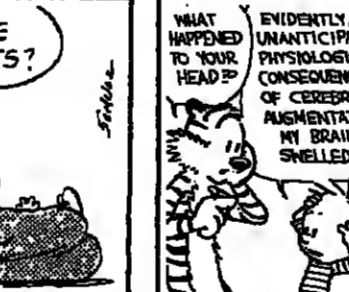
CALVIN AND HOBBES



WIZARD OF ID



REX MORGAN



GARFIELD



JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble the letters in each square to form one letter in each column, to form a word.

L A R A T

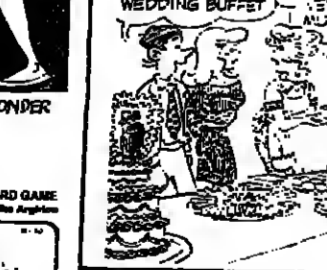
H O P N Y

T O W W O K

F L Y N U K

Answer here: _____

BLONDIE



BEETLE BAILEY



DOONESBURY



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SPORTS



No. 1 Pete Sampras averaged two clay-court losses to Sergi Bruguera this year with a victory Friday.

Tennis Angst: What Does It All Mean?

FRANKFURT — What does this tournament mean? Can anyone tell me? The No. 1 ranking has already been won by Pete Sampras, as have two of the four Grand Slam titles. He has won more matches (82) this year than any man since 1985 and more money (\$2.5 million) than any man ever. He is the undisputed world champion. So: What if he is upset this weekend, and someone else wins the ATP Tour World Championship here? What will it mean? It is a fundamental question for a sport at its marketing peak. What should be a celebration of tennis, a week in which the world's top eight players are locked inside an arena until only the best of the best has emerged, has no more urgency than a lot of other tournaments. If the World Championship is Sampras or Michael Stich or even Andrei Medvedev — and what an enormous breakthrough that would be for him — will the world come to a stop as it does for the world championships of other sports? It isn't really fair, obviously, to compare tennis with soccer or baseball or football. Tennis most resembles golf, another international game played by individual millionaires. Golf also has had trouble creating a season-ending world championship. The success of golf, however, has a lot to do with its attempt to mimic the team sports. There is a golf tour in America, a golf tour in Europe and a golf tour in Japan. Each is set up like a league of its own. Americans know there will be one tournament each week that they will care about, and the same goes for the Europeans and Japanese. It creates a sense of order for the fans, who know where the players are going to play, and with minimal effort they can chart the season's development from week to week. Occasionally the best players from the regions mix, creating major championships and the biennial Ryder Cup. The annual Davis Cup recreates that nicely for tennis, provided the best players play. That they often do not illustrates the organizational muck of this game. Only diehard fans are able to follow the criss-cross development and deconstruction of top players in tennis. You have to read through the results in the newspaper every day. Miss one day and you won't know who upset Sergi Bruguera in the second round. There might be tournaments going on concurrently in three parts of the world, with decent players scattered across each one, and no way to predict who will play where or why. Tennis tried to assess its slightly-diminishing popularity here Monday with a seminar, "The Fan's Experience," at which profifiers wondered how they might copy the National Basketball Association's formula for creating international stars. Well, that part is easy. The NBA's popularity is built on rivalries, beginning with the likes of Larry Bird vs. Magic Johnson, Magic vs. Isiah Thomas, Magic vs. Michael Jordan, Jordan vs. Charles Barkley. From a league in which players were known 20 years ago for tanking midseason games, the NBA grew into an arena in which the great players obviously and absolutely hated to lose to each other. Grinding against each other, they each developed a movie's star charisma and a global identity for their game. Men's tennis can claim that its grueling international schedule and competitive parity helps to preclude such rivalries. This is bogus. The NBA season runs from October through June, with the champion playing over 100 times. (Sampras, the only player to take a Michael Jordan approach to this tennis season, has played 96 matches this year.) Basketball is a game of endurance and bursts and terrifying collisions, and visiting players are required to make free throws while the audience does everything possible to distract them. Until the late '70s, basketball lived with the same excuses that have become tennis's mantra. Then the Magic-Bird rivalry forced anyone who wanted to be No. 1 to prove it every night in every way, whether it was beating the other guy, handling the press or playing up to the fans. It is easier to wade through a season with the support of teammates, though Bird would point out the numerous times he had to carry them on his shoulders. But shouldn't the individuality of tennis be its strength, rather than its excuse? When Magic played Bird, they shared the ball with eight teammates. When Sampras plays Jim Courier, no one else matters. It's them and no one else — but the suspense doesn't build, because who really believes their rivalry is the driving force in their professional lives? The logistical problem is that tennis can't get out of its own way. The schedule is haphazard and impossible to follow, the standings are maintained by a computer fathomed only by those whose job it is to understand it, and at the end of the day — unless the venue is Wimbledon or Roland Garros — most players seem uncertain of priorities. The schedule is not a tradition from the days when administrators cared about producing champions; it's a relatively new creation by marketers whose sole aim is profit. No harm there; the same people run the NBA. But the NBA knows how to funnel its performers along, so that the audience creates an atmosphere of suspense that the players yearn to satisfy. When the tennis season stops ricocheting all over the world, what, in the end, has it meant? The world's most intense, committed player, his No. 2 ranking at stake, sat Wednesday night during his match in the World Championship simply reading a book. That's what it means. Jim Courier said it better that night than anyone.

Pierce Upsets Navratilova

Compiled by Our Staff From Dispatches NEW YORK — Martina Navratilova has met the future. Her name is Mary Pierce and her game is power tennis. Navratilova, playing in a tournament she has won four times and facing an opponent less than half her age, lost 6-1, 3-6, 6-4 in the quarterfinals of the Virginia Slims Championships on Thursday night. "She hit a couple forehands as hard as anything that I have seen," said Navratilova, seeded third. Pierce, 18, registered her second straight upset in the season-ending tournament, having ambushed another former champion, Gabriela Sabatini, on Tuesday. She advanced to the semifinals, where she will meet the winner of Friday night's match between Arantxa Sanchez Vicario, the second seed, and No. 7 Jana Novotna. Taking notice of what happened to the No. 3 seed, No. 1 Steffi Graf took no chances, crushing Amanda Coetzer, 6-1, 6-2, to grab a semifinal berth against the winner of Friday's match between No. 4 Conchita Martinez and No. 8 Anke Huber. Navratilova, 37, has said 1994 will be her final year on the tour. With her will go players whose games are built on touch, spin and guile. Remaining will be the young power hitters, like Pierce and Monica Seles, whose idea of changing pace is hitting harder. The Madison Square Garden crowd was solidly behind the woman who has won a record 166 tournaments. Pierce didn't let that bother her, and by the end the fans were roaring for her laser groundstrokes and service returns. Several times Navratilova muttered "Yep" as the ball went whizzing past for a clean winner. On the final point, Pierce slammed a screeching forehand that found the far corner as Navratilova turned and walked off the court. She has seen enough winners in her 21-year professional career to know one. "It's just unbelievable," said Pierce, who has picked off the crowd's two favorite players, earning their grudging respect in her first appearance in the 16-player season finale. "It's so hard to explain. I'm so happy I really can't believe it." Graf assured herself of the most lucrative single season in tennis history with the pummeling of the overmatched Coetzer. The South African, who upset sixth seed Mary Joe Fernandez in the first round, had no weapons to hurt Graf and went down with barely a fight in 53 minutes. Graf pushed her tournament earnings for 1993 to a record \$2,624,357 and can add another \$97,000 by claiming her third Virginia Slims Championships title. Seles had set the previous record with \$2,622,352 last year. Stefan Edberg holds the men's mark of just over \$2.36 million. The German star, however, was unimpressed about the record. "It's been a great year," said Graf, winner of Wimbledon and the French and U.S. Opens. "The money hasn't been that important to me," she added. "It's an amazing number but I don't care about it at all." (AP, Reuters)



Mary Pierce of France lunging for a return in her quarterfinal upset of Martina Navratilova at the Virginia Slims Championships.

Sampras Heads To Semis With A Perfect Record

The Associated Press FRANKFURT — Pete Sampras continued his impressive run through the ATP Tour World Championship, beating Sergi Bruguera, 6-3, 1-6, 6-3, on Friday. The match was meaningless, since Sampras had already assured himself of a semifinal berth, while Bruguera had been eliminated. Sampras finished the round-robin portion of the tournament with a 3-0 record. Bruguera, the French Open champion, finished 0-3. In Saturday's semifinals, Sampras will meet Andrei Medvedev of Ukraine, who beat Michael Chang, 2-6, 6-4, 6-2, on Thursday. Michael Stich (2-0) was idle Thursday. His semifinal opponent will be the winner of Friday's match between Stefan Edberg and Goran Ivanisevic, who are both 1-1. Hitting fewer aces than usual, but blazing serves at 204 kph (126 mph), Sampras roared into the semifinals with a 6-3, 7-6 victory over Edberg on Thursday.

Oilers Too Much for Troubled Browns

New York Times Service OILERS (5-4) at BROWNS (5-4): KEY STAT: Oilers can win five straight for first time in 13 years; Browns back Tommy Vardell averages 41 yards per carry. COMMENT: "We've got our hands dirty trying to get all of this dirt off our grave and get back to life." Browns coach Bill Belichick said earlier this week in response to the Bernie Kosar release. Kosar's fine play in Dallas and quarterback Todd Philcox's disastrous outing vs. Seattle in only his second pro start. The Browns need a superior effort on special teams and on defense to keep pace with the Oilers, let alone on offense. It is too much to ask for a team spinning in controversy and in a mental approach. Odds makers favor the Oilers by 4 1/2 points. BENGALS (8-9) at JETS (5-4): KEY STAT: Bengals have five players with at least one interception; Jets 5-1 when winning rushing war. COMMENT: A winless season is searing at the heart of the Bengals, a young team with a young coach and both are looking for leadership and inspiration. It simply is not there. This is a bad situation that will get worse. David Klingler is back at quarterback for Cincinnati and his counterpart, Boomer Eason, will want to show his old team what it is missing. Jets by 14 1/2. COLTS (3-6) at BILLS (7-2): KEY STAT: Colts' back Roosevelt Potts leads AFC rookies with 450 rushing yards; Bills shutout loss to Pittsburgh Bills' first in eight years. COMMENT: Buffalo ran into a hornets nest at Pittsburgh but Indianapolis won't be nearly as physical as the Oilers. Last season the Colts were roasted by 39-0 at Buffalo and the Bills seek that kind of dominant win to re-establish their strength in the AFC East and beyond. Bills by 12. BEARS (4-5) at CHIEFS (7-2): KEY STAT: Bears have allowed 124 points, only two fewer than Dallas; Chiefs only unbeaten AFC team at home (4-0). COMMENT: The Bears defense has been remarkable, especially considering the way the Bears offense has floundered. Coach Dave Wannstedt has the defense in correct position and has it making big plays. No team has scored more than 19 points on Chicago since its season-opening loss to the Giants, when New York got 26. Kansas City knows plenty about defense, too. And the Chiefs skill players on offense are improving each week. Chiefs by 9. PATRIOTS (1-8) at DOLPHINS (7-2): KEY STAT: Patriots have lost eight straight to Miami; Dolphins coach Don Shula is 29-3 when starting backup quarterbacks. COMMENT: Steve DeBerg, age 39, in his 17th season, starts at quarterback for Miami with No. 1 Dan Marino and No. 2 Scott Mitchell both injured. Since the Dolphins have the No. 1 passing offense in the NFL (253.6 yards per game), it is obvious that regardless of whom it is at quarterback, Miami has several exceptional pass catchers in Irving Fryar, Mark Ingram, Keith Jackson, Keith Byars and Terry Kirby. There are more. DeBerg is still amazingly mobile and he will flourish surrounded by such talent. Dolphins by 6 1/2. COWBOYS (7-2) at FALCONS (3-6): KEY STAT: Cowboys beat Atlanta 41-17 last season in December Monday Night game; Falcons' back Eric Pagan has 721 rushing yards. COMMENT: Dallas can win eight straight for the first time in 16 years and only the Falcons stand in their way. Dallas is riddled with injuries and only the Falcons have won three of their last four. Atlanta is back to its blitzing ways and Bernie Kosar will feel the pass rush heat. Emmitt Smith is hitting to exploiting the blitz and to taking pressure off Kosar. Cowboys by 11. LIONS (7-2) at PACKERS (5-4): KEY STAT: Lions quarterback Rodney Peete is hitting 63.8 percent of his passes; Packers averaged more than four sacks in last five games. COMMENT: Detroit had a bye last week and thus two weeks to prepare for their closest rival in the NFC Central chase. One of the Lions most deadly weapons is kicker Jason Hanson; he has 91 points and 10 other kickers have more than 77. Green Bay, however, is beginning to hit its stride, with the defense providing more pressure and with quarterback Brett Favre becoming more steady. Sterling Sharpe has always been steady. He has caught passes in 60 straight games. Packers by 4. RAIDERS (5-4) at CHARGERS (4-5): KEY STAT: Raiders Rocket Isiah Lewis AFC in kickoff returns with 24.3 yard average; Chargers beat L.A. 31-20 in Week 9. COMMENT: The Chargers are still kicking themselves after losing at home to the Bears. John Carney missed the field goal late that would have tied the game. For the Raiders, their 31-20 loss at home to the Chiefs was more than disheartening. L.A. grabbed an early lead and then was steamrolled in the second half by quarterback Dave Krieg and by back Marcus Allen. Chargers by 4. STEELERS (6-3) at BRONCOS (5-5): KEY STAT: Steelers have won six of last seven; Broncos John Elway is 5-1 vs. Pittsburgh and 16-4 vs. AFC Central. COMMENT: This should be a hard-hitting game from start to finish. Barry Foster (ankle) is injured and won't play but Leroy Thompson gives Pittsburgh a more than capable fill-in. Denver has won

20 of its last 24 at home and losing two straight in Mile High Stadium just won't wash. Broncos by 3. GIANTS (6-3) at EAGLES (4-5): KEY STAT: Giants can sweep Eagles and win in Philadelphia for first time in six years; Eagles tops in NFC pass defense (163.6 yards allowed per game). COMMENT: "I talked to my wife after the game and she said, 'You know James, I think that's the first time you ever dropped a ball like that one could have won a game.' And then I thought about it and I couldn't remember one. I think she's right." That was Eagles receiver James Lofton after talking about his mistake late in the Philadelphia loss to Miami where several Eagles made key blunders. For the Eagles, losers of five straight, there is little glory left in this season. Giants by 6 1/2. REDSKINS (2-7) at RAMS (2-7): KEY STAT: Redskins' Mark Rypien 49-27 as a starter; Rams' tackle Sean Gilbert has 7.5 sacks and end Robert Young has seven sacks. COMMENT: Receiver Ricky Sanders leads the Redskins with four touchdown catches. Linebacker Andre Collins leads in sacks with four. That is little punch on offense and on defense and it is Rypien that gets the hook; he will be replaced as the starter by Rich Gannon. Of all the players the Redskins miss due to injury or free agency, most missed is possibly Phoenix Cardinals receiver Gary Clark. He was the playmaker and without him the Redskins aren't making plays. Rams by 1. VIKINGS (5-4) at BUCCANEERS (2-7): KEY STAT: Vikings held Tampa Bay to 59 rushing yards and forced six turnovers in 15-0 win in Week 6; Buccaneers have lost five straight to Vikings. COMMENT: Minnesota's huge win at Denver was ignited by quarterback Sean Salisbury, who passed for 366 yards. Salisbury is better than Jim McMahon because he has a stronger arm, is more mobile and much more sturdy. Had the Vikings started and stuck with Salisbury, they might be tied with Detroit atop the NFC Central division. Vikings by 9. SAINTS (6-3) at 49ERS (6-3): KEY STAT: Saints can sweep 49ers for first time in 14 years; 49ers have won three straight by combined score of 113-52. COMMENT: This is a huge game for first place in the NFC West and if the Saints win it, their chances are good for the title. If the 49ers win, this race is likely over. The 49ers defense has struggled but the offense is in full gear. The Saints can't keep pace with the 49ers offense. That is where the game swings, with Jerry Rice and tight end Brent Jones making critical third-down catches for first downs and more. 49ers by 7 1/2.

These NFL matchups were prepared by Thomas George of The New York Times. Odds were provided by Harrah's.

SIDELINES

Tapie Says He Won't Go Quietly BESANCON, France (AFP) — Bernard Tapie, president of the Olympic Marseille club, threatened on Friday to expose the "comedy" of French political life if the National Assembly follows a committee's recommendation to strip him of his parliamentary immunity. "I'm no martyr," Tapie, a businessman and deputy, said in an interview with a local radio station. "I have often been declared persona non grata in the different activities I have undertaken but you cannot get rid of me that easily." If the full parliament votes to lift Tapie's immunity, he could face charges of using money from one of his companies to finance his election campaign and to purchase a player, Chris Waddle, from the English club Tottenham Hotspur. The application to lift his immunity was made by two magistrates investigating embezzlement at two of Tapie's firms. A committee has not yet ruled on a second request for lifting his immunity in connection with bribery charges involving Marseille. Watson Keeps One-Shot Japan Lead TOKYO (Reuters) — Tom Watson shot three birdies and three bogeys before eagling the 16th hole on Friday to retain his lead after two rounds of the Dunlop Phoenix golf tournament. His 69 gave him a two-day score of 134 and meant he stayed one stroke ahead of Barry Lane, who shot a 68 and stood alone in second on 135. Third place was shared by Fred Couples and Scott Simpson, who had rounds of 69 and 70 respectively to be on 136. The day's best score was posted by Larry Mizze of the United States, who managed six birdies and no bogeys for 66 and moved up to a fifth-place tie at 137 with five others. Russian Lifters End Medal Drought MELBOURNE (AP) — Viktor Tregubov and Sergei Syrtsov ended Russia's medal drought at the world weightlifting championships by sweeping the gold medals Friday in the 99-kilogram division. Syrtsov, world champion in 1991, won the snatch gold medal with a lift of 190 kilograms (418.75 pounds) and Tregubov then won the clean-and-jerk with 222.5 kilograms. Tregubov, the 1992 Olympic champion, edged Syrtsov out of the overall gold on body weight after they both had the same total. For the Record Michael Jordan, who retired last month, will be paid his full 1993-94 salary of \$4 million, possibly to protect the Chicago Bulls' option to sign another player for \$2 million, the Chicago Sun-Times reported Thursday. The National Basketball Association team also is expected to honor an additional \$11.7 million remaining on Jordan's deal, the paper said. (AP)

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ESCORTS & GUIDES BELGRAVIA ORCHIDS BELLE EPOCH THE ESCORT SERVICE LONDON * PARIS 071 937 8052 MERCEDES

INTERNATIONAL CLASSIFIED (Continued From Page 8) ARISTOCATS CHIC OF MAYFAIR ULTIMATE '10' MISS GENEVA & PARIS DEBUT ESCORT SERVICE OF NYC MUNICH * WELCOME

DAVE BARRY

Hooray for Lawyers

I AM—I am sick and tired of all this lawyer-basting. I hear somebody say something about lawyers, it makes me want to walk up and spit in his face, thereby causing him to shove his hand in his pocket and take out a \$17 million personal injury lawsuit against him.

So the lawyer told the guy: "Gosh, Meyer, nothing really happened. Why don't you just forget about it?"

NO! Just kidding! That might happen in some backward, underdeveloped nation like Japan, but not here in the U.S.A.!

MR. DUBOFF. He got \$25,000. Fair enough. It was his idea in the first place.

THE OTHER DENTURE-ADHESIVE VICTIMS. They were notified of their victimhood via newspaper advertisements and direct mailings paid for by SmithKline.

THE LAWYERS FOR THE PLAINTIFF. If you are a fan of Justice, American-style, you will be very excited when I tell you what the lawyers got in expenses and legal fees.

It's a lot of money," said Cohen. "But there's also a lot of money that goes into these cases."

I am sure there is a lot of money! Also a lot of work! It cannot be easy, taking a case wherein it appears, to the naked untrained layperson eye, that nobody has suffered any observable harm and using legal skills, turning it into a financial transaction that involves thousands of people and a million dollars! Plus coupons!

And of course SmithKline, to avoid the hassle and publicity and legal expense of a trial, settled out of court. Three groups got money in the settlement.

Imperial War Museum on wartime food rationing, a subject other countries would sooner forget. The museum's gift shop has for some time sold a book of grisly 1940s recipes called "We'll Eat Again."

The popular exhibition, "The Wartime Garden and Kitchen" (until May 2), has been accompanied by an eight-part television series in which a homey woman in an old-fashioned apron demonstrates such wartime skills as drying apples ("You know when they're done if they feel like leather") and by newspaper articles, for one of which a leading chef of today made a Woolton pie, a mix of root vegetables and oatmeal named after the popular food minister Lord Woolton.

At the time it had to be. In 1939, when war began, two-thirds of Britain's food came from abroad. Ration books were issued shortly after the war started although rationing did not begin until January 1940. Supplies arrived on lend-lease from the United States and from the dominions, but Britain had rapidly to become self-sufficient, and it did.

Rationing was an unqualified success and literally transformed the country. With an equally distributed, inexpensive and well-balanced if boring diet the health of the poorer classes improved (in 1939 half the people of Britain suffered from some degree of malnutrition), and the better off benefited from now-fashionable emphasis on fibers and carbohydrates.

Land used for growing crops increased by 6 million acres (2.4 million hectares), to 18 million acres in 1945 (the royal family's Great Park at Windsor became the largest wheat field in Britain), and farmers were given instruction in modern mechanization and marketing. By 1944 the amount of food produced by British farmers had risen by 70 percent and at the war's end Britain was in proportion to agricultural acreage, the most highly mechanized country in the world.

Anderson shelters in people's backyards not only offered protection from bombs but the soil that covered their roofs was used for growing marrow and lettuce while conditions inside were sometimes ideal for growing mushrooms and rhubarb. Young women joined the Land Army — 80,000 of them by 1944 — and V. Sackville-West wrote a propaganda book in their praise ("Instead of her silks and georgettes she wears wool and corduroy and clamping boots").

The exhibition includes reconstructions of wartime kitchens and grocers' shops, tins of Spam, a fascimile of the National Wheat Loaf, a dirty-beige colored bread, healthy but de-tasted, a woman's scarf decorated with perky vegetables wearing military caps and a solemn still life of salt cod and dried eggs entitled "Let Us Forget, 1945."

Rationing put everyone in the same boat, and in the same queue, and seemed a promise of future equality — "a step in the right direction that is taking place day by day, not only in Englishmen's pockets but in their minds," Mollie Panter-Downes wrote in The New Yorker in 1942.

The same year, she described a Potato Christmas Fair in the gutted shell of John Lewis's Oxford Street store, sponsored by Potato Pete, the Ministry of Food's creation to encourage Britons to eat more home-grown tubers (a pound a day) instead of bread.

The show was visited on its opening day by Lord Woolton, by a baby elephant called Comet, who proved too heavy (perhaps from too much patriotic spud-eating) to be able to negotiate the wooden gangway down into the wrecked basement, and by hordes of the public who dutifully received hot baked potatoes from Father Christmas.

In a country so gifted at playing Let's Pretend, bland wartime fare was given such names as Mock Goose, Mock Hare, Mock Mutton and Mock Fried Egg. There was the inspiring Vitality Mould, Alarming Peanut Salad (peanut butter, mashed potato, beetroot or tomato), unconvincing Oatmeal Sausage and dishes calling for a mighty suspension of disbelief such as Vinegar Cake and Mock Apricot Flan ("the carrots really do taste a little like apricots").

The war ended in 1945; rationing did not. By the end of 1947 weekly rations were below the wartime average. In 1946, bread, which had not been rationed during the war, went on the ration for two years. Bread rationing, Peter Hennessy wrote in "Never Again: Britain 1945-1951," was introduced for remarkably altruistic reasons, to help alleviate famine in Asia and defeated Germany.

New dishes were introduced with small success, while meat and a herring-like fish from South Africa called snoek. Tea was rationed until October 1952; cream, eggs and sugar until 1953.

By the mid-1950s Germans were drinking five times as much sparkling wine as before the war and consuming considerable quantities of caviar. Britain was still living austerely. For the coronation of Elizabeth II in 1953, there was a big debate over whether the tradition of roasting a whole ox would be followed.

Finally it was. But meat did not come off the ration until June of 1954.

'We'll Eat Again': Tales of Rationing

International Herald Tribune

LONDON — Winston Churchill in his boiler suit, Spitfire pilots, Vera Lynn singing in her choirboy voice "We'll Meet Again" and "The White Cliffs of Dover" (an ornithological oddity since the bluebirds of the lyric are not native to Britain), deadly German rockets when victory was in sight: To these familiar World War II icons must be added Woolton pie, Dr. Carrot and Potato Pete.

The national gift for nostalgia is currently enhanced by an exhibition at the

MARY BLUME

Imperial War Museum on wartime food rationing, a subject other countries would sooner forget. The museum's gift shop has for some time sold a book of grisly 1940s recipes called "We'll Eat Again," to which have now been added packets of "Dig for Victory" radish and onion seeds, fascimile ration books at £1.25 each, and souvenir cards of dried milk and dried eggs ("dried eggs made good cakes and puddings but omelettes looked gray and were not appetizing").

The popular exhibition, "The Wartime Garden and Kitchen" (until May 2), has been accompanied by an eight-part television series in which a homey woman in an old-fashioned apron demonstrates such wartime skills as drying apples ("You know when they're done if they feel like leather") and by newspaper articles, for one of which a leading chef of today made a Woolton pie, a mix of root vegetables and oatmeal named after the popular food minister Lord Woolton.

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Land used for growing crops increased by 6 million acres (2.4 million hectares), to 18 million acres in 1945 (the royal family's Great Park at Windsor became the largest wheat field in Britain), and farmers were given instruction in modern mechanization and marketing. By

BETTER POT-LUCK



with Churchill today

THAN HUMBLE PIE



DON'T WASTE FOOD!

This World War II poster in an exhibition at Britain's Imperial War Museum recalls the belt-tightening and rationing of wartime — and some of the surprising things that resulted.

kitchens and grocers' shops, tins of Spam, a fascimile of the National Wheat Loaf, a dirty-beige colored bread, healthy but de-tasted, a woman's scarf decorated with perky vegetables wearing military caps and a solemn still life of salt cod and dried eggs entitled "Let Us Forget, 1945."

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PEOPLE

World's Tallest Tale: Liar Outdoes Himself

Two times a liar: Derek Martin, a retired British engineer, is the biggest liar in the World for the second year in a row after he spun a tale about a Chinese bid for the Olympics and gold medals. Or something.

"This tale was fearfully complicated and I'm not sure I want to hear it another time," said a spokesman for the contest, which is held every year at the Bridge Inn near Gosforth in Cambridgeshire. Another second-time winner, Reg White, was second with a story about multi-legged chickens, and third prize went to John Graham, who told what happened when his turkey fell to love with a helicopter. Guess you had to be there.

Jackson Browne was served rice and water at a banquet in Boston honoring him for his work on behalf of the poor in Central America. The singer received the Grammy Award for Best Album from the relief organization Oxfam America.

Frank Sinatra's hometown is in the running for a library and museum that would chronicle the rise to stardom of the skinny, blue-eyed kid from New Jersey. His daughter, Nancy Sinatra Lambert, was courted by Mayor Anthony Russo of Hoboken, and the two toured a possible site. Lambert, who is organizing the project, also is considering New York and Washington.

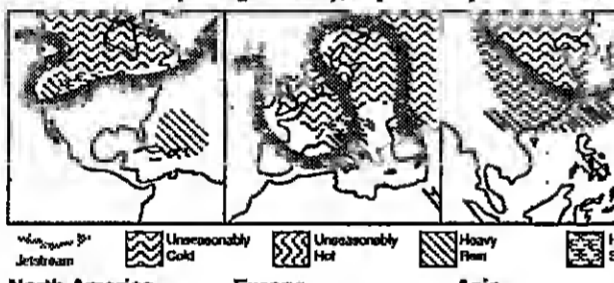
The Kennedy family is selling the Palm Beach, Florida, estate that once served as the beach house and was also the headquarters for the family. The asking price is \$7 million. Joseph and Rose Kennedy bought the property in 1933. In 1991 a woman accused William Kennedy Smith of raping her on the beach in front of the property. He was acquitted.

Grunge rocker Eddie Vedder was booked on misdemeanor charges after a bar brawl in New Orleans in which his friend, Jack McDowell, of the Chicago White Sox, was knocked unconscious by the bouncer.

INTERNATIONAL CLASSIFIED Appears on Pages 1, 7 & 8.

WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



North America: New York to Boston will have dry, chilly weather Sunday; it will turn rainier Monday with light snow or flurries. Madrid will have dry, cool weather early next week. Rome will be damp and cool. Snow is likely from the Alps to northwestern Romania while cold air continues to dominate the region from Frankfurt to Moscow.

Europe: Paris through London will be quite cold Sunday into Tuesday with light snow or flurries. Madrid will have dry, cool weather early next week. Rome will be damp and cool. Snow is likely from the Alps to northwestern Romania while cold air continues to dominate the region from Frankfurt to Moscow.

Asia: Wintry cold will spread southward from Beijing and Korea through Shanghai Sunday, leading into early next week. Cooler weather will also affect Japan with snow flurries and squalls at Sapporo. Rain will fall from Hong Kong to Taipei, Manila and Bangkok will be very warm with some squalls.

Africa: Algeria 17/82 13/65 17/82 13/65; Cape Town 24/72 15/58 22/71 10/50; Johannesburg 18/81 9/68 18/81 9/68; Harare 19/84 6/43 22/71 5/41; Lagos 21/88 24/72 21/88 25/77; Nairobi 12/70 11/52 12/70 13/56; Tunis 17/82 8/49 17/82 10/50.

North America: Anchorage -9/18 -16/4 4/25 -14/7; Atlanta 12/63 6/28 12/63 3/37; Boston 11/52 6/29 11/52 3/34; Chicago 3/37 -2/28 7/44 4/32; Denver 19/56 -3/28 11/62 -3/27; Detroit 3/37 -4/52 7/44 1/34; Honolulu 26/82 21/79 29/84 25/71; Houston 21/78 2/25 19/69 12/53; Los Angeles 24/75 13/55 20/68 11/52; Miami 25/84 18/54 27/80 19/68; Minneapolis 3/41 -5/22 7/44 4/32; New York 11/62 6/28 11/62 3/37; Phoenix 26/82 21/79 29/84 25/71; San Francisco 55/72 49/48 55/72 49/48; Seattle 12/4 -4/22 7/44 -1/21; Toronto 12/63 3/37 12/63 4/32.

Latin America: Buenos Aires 20/81 12/62 21/82 17/62; Caracas 19/82 24/75 21/82 17/62; Lima 20/82 17/62 21/82 17/62; Mexico City 17/70 11/62 21/82 17/62; Rio de Janeiro 27/82 20/68 27/82 21/70; Santiago 26/79 7/44 26/79 8/48; Sao Paulo 26/79 17/62 27/80 17/62.

Middle East: Beirut 24/78 18/64 24/78 18/64; Cairo 24/78 18/64 24/78 18/64; Damascus 23/72 14/57 23/71 13/55; Jerusalem 21/70 16/81 21/70 15/59; Luxor 32/71 18/64 32/71 18/64; Riyadh 28/82 14/57 29/84 15/58.

Legend: 4-8, 12-16, 20-24, 28-32, 36-40, 44-48, 52-56, 60-64, 68-72, 76-80, 84-88, 92-96, 100-104, 108-112, 116-120, 124-128, 132-136, 140-144, 148-152, 156-160, 164-168, 172-176, 180-184, 188-192, 196-200, 204-208, 212-216, 220-224, 228-232, 236-240, 244-248, 252-256, 260-264, 268-272, 276-280, 284-288, 292-296, 299-303, 307-311, 315-319, 323-327, 331-335, 339-343, 347-351, 355-359, 363-367, 371-375, 379-383, 387-391, 395-399, 403-407, 411-415, 419-423, 427-431, 435-439, 443-447, 451-455, 459-463, 467-471, 475-479, 483-487, 491-495, 499-503, 507-511, 515-519, 523-527, 531-535, 539-543, 547-551, 555-559, 563-567, 571-575, 579-583, 587-591, 595-599, 603-607, 611-615, 619-623, 627-631, 635-639, 643-647, 651-655, 659-663, 667-671, 675-679, 683-687, 691-695, 699-703, 707-711, 715-719, 723-727, 731-735, 739-743, 747-751, 755-759, 763-767, 771-775, 779-783, 787-791, 795-799, 803-807, 811-815, 819-823, 827-831, 835-839, 843-847, 851-855, 859-863, 867-871, 875-879, 883-887, 891-895, 899-903, 907-911, 915-919, 923-927, 931-935, 939-943, 947-951, 955-959, 963-967, 971-975, 979-983, 987-991, 995-999.

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POSTCARD

For the Children of Mexico City, a Glorious New Maze

By Anthony DePalma

MEXICO CITY — As one of the biggest, most unreluctant, most dangerously contaminated places on earth, this is one tough city to live in, especially for kids.

Some children in Mexico City are trained to tell the toxicity of the air by the red or black flags that fly over their schools. They are drilled on how to handle an earthquake. They can't avoid the thousands of street children who sell gun or bag for handouts at car windows they aren't even tall enough to see into.

Oh, Mexico City is a tough city, but lately, there's been an attempt to tame this monstrous place and make it a little more civilized for the 16 million people who live here. To truly become a first-class city and a world-class economic capital, Mexico City must also address the quality of life, starting with the very smallest lives.

So, on Nov. 5 the city opened a spectacular new children's museum featuring a five-story maze, a musical staircase designed by the same man who did the tap-dance piano in the movie "Big" and a Rube Goldberg-type motion machine that uses bowling balls and at one point runs for 600 feet.

It is already considered one of the largest and most technologically sophisticated teach-and-do museums in the world, the result of intense research, dedicated work and, perhaps more than anything else, a willingness to try to make Mexico City a better place to live.

"We're trying to make Mexico City a more cosmopolitan city," said Juan Enriquez, head of the city's department of metropolitan services, which oversees the museum project. "What this place is about is opening up a world-class children's museum and saying children here are important."

The name of the children's museum is Papalote. In Spanish it means kite, but in the native Indian language of Nahuatl, it is the word for butterfly.

While a new museum fits into the city's scheme for reinventing itself, the political push for the complicated and expensive project came from Cecilia Ocelot de Salinas, the wife of President Carlos Salinas de Gortari. She was especially interested in finding alternate ways to teach young people in a country where most children don't go past the sixth grade.

The museum was built on the site of a former glass factory on the edge of Mexico City's central park, almost directly across from Los Pinos, the Mexican White House. The architect was Ricardo Legoretta, who designed several Canimio Real estates in Mexico. The 33,000-square-foot complex is covered in traditional blue tiles, making it one of the first tile buildings built in Mexico in 100 years.

Located on the city's busy ring road, the Periferico, and in Chapultepec Park, the most visited place in Mexico City (more than 100,000 people use the park on a weekend), the museum's posh exterior already has become a landmark. What's inside is likely to make it even more so.

Twenty years ago there were just a handful of children's museums in Brooklyn, Boston, Indianapolis and a few other cities in the United States. Now there are hundreds all over the world. But few come near the 250 exhibits in the new Mexican museum.

"They did a super job of doing their homework," said Nikl A. Black, the program director for the Children's Museum of Indianapolis, one of the largest and oldest children's museums in the world.

AT&T Access Numbers

The fast way to a familiar voice

Table listing AT&T access numbers for various countries including ANDORRA, ARMENIA, AUSTRIA, BAHRAIN, BELGIUM, BULGARIA, CAPE VERDE ISLANDS, CROATIA, CYPRUS, CZECH REP., DENMARK, EGYPT, ETHIOPIA, FINLAND, FRANCE, GABON, GAMBIA, GERMANY, GHANA, GIBRALTAR, GREECE, HUNGARY, ICELAND, IRELAND, ISRAEL, ITALY, JAMAICA, JAPAN, KENYA, KUWAIT, LEBANON, LIBERIA, LUXEMBOURG, LITHUANIA, MALAWI, MALTA, MEXICO, MOROCCO, NETHERLANDS, NIGERIA, NORWAY, POLAND, PORTUGAL, ROMANIA, RUSSIA, SAUDI ARABIA, SIERRA LEONE, SLOVAKIA, SPAIN, SWEDEN, SWITZERLAND, TURKEY, UGANDA, UNITED ARAB EMIRATES, UK, UZBEKISTAN, YEMEN, ZAMBIA, ZIMBABWE.

Sharing the day's events with loved ones back in the States has never been easier. Whenever you're away, simply dial the AT&T access number of the country you're calling from and an English-speaking AT&T Operator or voice prompt will put you through in seconds. You can bill the call to your AT&T Card, U.S. local calling card, or call collect. You'll get economical AT&T rates and keep hotel surcharges to a minimum. It's all part of our continuing commitment to be there for you. Even when you're on the other side of the planet. So surprise someone back home with a call. Who knows? Perhaps they'll have a little surprise for you.



سكوا من الأمل